

Annex

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1979-1980 Session

Report of Proceedings

from 10 to 14 December 1979

Europe House, Strasbourg

Contents

<b>Monday, 10 december 1979</b> . . . . .	1
Resumption, p. 3 — Tribute, p. 3 — Membership of the Court of Justice, p. 4 — Membership of Parliament, p. 4 — Political groups, p. 4 — Petitions, p. 4 — Documents, p. 4 — Texts of Treaties, p. 8 — Transfers of appropriations, p. 9 — Authorization of reports, p. 9 — Reference to committee, p. 9 — Motions for resolutions Docs 1-330/79, 1-365/79 and 1-368/79, p. 9 — Organization of business, p. 9 — Order of business, p. 9 — Speaking-time, p. 11 — Tabling of amendments, p. 12 — Procedure without report, p. 12 — Action taken on Parliament's opinions — Agenda, p. 12 — Election of a Vice-President, p. 14 — Question Time p. 14 — Draft amending and supplementary budget No 3, p. 27 — Next sitting, p. 34 — Annex, p. 35.	
<b>Tuesday, 11 December 1979</b> . . . . .	51
Minutes, p. 52 — Documents, p. 52 — Urgent procedure, p. 52 — Tabling of amendments, p. 52 — Draft amending and supplementary budget No 3 (contd), p. 52 — General budget for 1980, p. 66 — Urgent procedure, p. 81 — Welcome, p. 81 — Draft amending and supplementary budget No 3 (vote), p. 81 — General budget for 1980 (contd), p. 83 — Agenda, p. 102 — Urgent procedure, p. 103 — General budget for 1980 (contd), p. 103 — Urgent procedure, p. 111 — Next sitting, p. 112.	
<b>Wednesday, 12 December 1979</b> . . . . .	113
Minutes, p. 114 — Documents, p. 114 — Reference to committees, p. 114 — Urgent procedure, p. 114 — ECSC levies for 1980, p. 122 — European Council — Irish presidency, p. 129 — Electronic vote, p. 145 — European Council — Irish presidency (contd), p. 146 — Agenda, p. 165 — Urgent procedure,	

(Continued overleaf)

NOTE TO READER

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

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

Contents (continued)

p. 166 — European Council — Irish presidency (contd), p. 166 — Agenda, p. 176 — Next sitting, p. 177.

**Thursday, 13 December 1979 . . . . . 178**

Minutes, p. 179 — Documents, p. 179 — Agenda, p. 180 — Urgent procedure, p. 180 — Committees, p. 184 — General budget for 1980 (vote), p. 184 — Urgent procedure, p. 203 — Draft amending and supplementary budget No 3, p. 203 — Votes, p. 206 — Annual report on the economic situation, p. 208 — Agenda, p. 231 — Committees, p. 231 — Intervention by Parliament before the Court of Justice, p. 231 — Tokyo Round — Community imports, p. 238 — Allowances and representation expenses of Members of the Commission, p. 257 — Next sitting, p. 261.

**Friday, 14 December 1979 . . . . . 262**

Minutes, p. 264 — Documents, p. 264 — Petitions, p. 265 — Procedure without report, p. 265 — Urgent procedure, p. 265 — Turnover taxes, p. 265 — Emulsifiers in foodstuffs, p. 267 — Chlorofluorocarbons in the environment, p. 268 — Market in dried fodder, p. 275 — Assistance for the exportation of agricultural products, p. 276 — National aid to milk producers in Northern Ireland, p. 276 — Committees, p. 279 — Votes, p. 279 — Pollution of the Rhine, p. 290 — Refugees in the Horn of Africa, p. 297 — Marketing of seed potatoes, p. 297 — Votes, p. 297 — Political groups, p. 299 — Next part-session, p. 299 — Minutes, p. 299 — Adjournment, p. 299.

*Resolutions adopted at sittings of 10 to 14 December 1979 appear in the Official Journal of the European Communities C 4 of 7. 1. 1980.*

## SITTING OF MONDAY, 10 DECEMBER 1979

## Contents

1. Resumption of the session . . . . .	3	19. Election of a Vice-President . . . . .	14
2. Tribute to Mr Vondeling: Mr Natali, Vice-President of the Commission . . . . .	3	20. Question Time (Doc. 1-566/79) Question to the Commission:	
3. Membership of the Court of Justice . . . .	4	Question No 1, by Mr Berkhouwer: Summer time	
4. Membership of Parliament . . . . .	4	Mr Davignon, Member of the Commission; Mr Berkhouwer; Mr Davignon . . . . .	14
5. Political Groups . . . . .	4	Question No 2, By Mr Schmid: Inadmiss- ible agreements between multinational oil companies:	
6. Petitions . . . . .	4	Mr Vouel, Member of the Commission; Mr Schmid; Mr Vouel; Mr Chambeiron; Mr Vouel; Mr Rogers; Mr Vouel . . . . .	15
7. Documents received . . . . .	4	Question No 4, by Mr Calvez: Harmoniza- tion of legislation governing industrial accidents:	
8. Texts of Treaties forwarded by the Council	8	Mr Vredeling, Vice-President of the Commission; Mr Calvez; Mr Vredeling . .	15
9. Transfers of appropriations . . . . .	9	Point of order: Miss Brookes . . . . .	16
10. Authorization of reports . . . . .	9	Question No 7, by Mr Moreland: Cadmium	
11. Referral to committee . . . . .	9	Mr Vredeling; Mr Moreland; Mr Vred- eling; Mrs Buchan; Mr Vredeling; Mr Sherlock; Mr Vredeling : . . . . .	16
12. Motions for resolutions Docs. 1-330/79, 1-365/79 and 1-368/79 . . . . .	9	Question No 9, by Mr Deleau: Creation of a European Institute for small and medi- um-sized undertakings:	
13. Organization of the business of the part-ses- sion . . . . .	9	Mr Davignon; Mr Deleau; Mr Davignon; Mrs Ewing; Mr Davignon . .	17
14. Order of business . . . . .	9	Question No 13, by Mr Paisley: Pure apple juice:	
15. Speaking time: Mr Klepsch; Mr Pannella; Mr Scott- Hopkins; Mr Pannella . . . . .	11	Mr Davignon; Mr Paisley; Mr Davignon	17
16. Deadline for tabling amendments . . . . .	12	Question No 15, by Sir John Stewart- Clark: The Community's data-processing industry:	
17. Procedure without report . . . . .	12		
18. Action taken by the Commission on the opinions of Parliament — Agenda: Mr Maher; Mr Scott-Hopkins; Mr Natali, Vice-President of the Commission; Mr Scott-Hopkins; Mr Natali; Mr John D. Taylor; Mr Paisley; Mr Rogers; Mr Paisley . . . . .	12		

<i>Mr Davignon; Sir John Stewart-Clark; Mr Davignon; Mr Galland; Mr Davignon . . . . .</i>	18	<i>Question No 25, by Mr Sherlock: Alcohol rationing:</i>	
<i>Question No 16, by Mr Almirante: Table grape market crisis in southern Italy:</i>		<i>Mr Vredeling; Mr Sherlock; Mr Vredeling . . . . .</i>	24
<i>Mr Natali, Vice-President of the Commission; Mr Almirante; Mr Natali; Mr Maffre-Baugé; Mr Natali . . . . .</i>	19	<i>Point of order: Mr Sherlock; Mr Vredeling . . . . .</i>	24
<i>Question No 18, by Mr Purvis: Consultations on energy strategy:</i>		<i>Question No 26, by Lady Elles: Provisional location of certain institutions and departments of the Communities:</i>	
<i>Mr Jenkins, President of the Commission; Mr Purvis; Mr Jenkins; Mr Turner; Mr Jenkins; Mr Paisley; Mr Jenkins; Mr Seligman; Mr Jenkins . . . . .</i>	19	<i>Mr Jenkins; Lady Elles; Mr Jenkins; Mr Price; Mr Jenkins; Mr Tyrrell; Mr Jenkins . . . . .</i>	24
<i>Points of order: Mr Paisley; Mr John D. Taylor . . . . .</i>	21	<i>Question No 27, by Mr Bersani: Special measures for the northern regions of the Sabel</i>	
<i>Question No 20, by Mr Provan: Intra-Community trade in sheepmeat:</i>		<i>Mr Natali; Mr Bersani; Mr Natali . . . . .</i>	25
<i>Mr Giolitti, Member of the Commission; Mr Provan; Mr Giolitti; Mr Chambeiron; Mr Giolitti; Sir Fred Warner; Mr Giolitti . . . . .</i>	21	<i>Question No 28, by Mr De Pasquale: EEC-Tunisia fisheries agreement:</i>	
<i>Points of order: Mr Provan; Mr Galland Mr Delatte; Mr Giolitti . . . . .</i>	22	<i>Mr Davignon; Mr De Pasquale; Mr Davignon . . . . .</i>	26
<i>Question No 23, by Mr Radoux: EEC-Comecon relations:</i>		21. <i>Draft amending and supplementary budget No 3 for 1979 — Report by Mr Dankert on behalf of the Committee on Budgets (Doc. 1-580/79)</i>	
<i>Mr Haferkamp, Vice-President of the Commission; Mr Seeler; Mr Haferkamp; Mr Welsh; Mr Haferkamp . . . . .</i>	22	<i>Mr MacSharry, President-in-Office of the Council; Mr Jenkins, President of the Commission . . . . .</i>	27
<i>Question No 24, by Mrs Ewing: Appointment of a European Ombudsman:</i>		<i>Mr Dankert, rapporteur . . . . .</i>	27
<i>Mr Jenkins; Mrs Ewing; Mr Jenkins; Mr John D. Taylor; Mr Jenkins . . . . .</i>	23	<i>Point of order: Mr B. Nielsen; Mr Lange, chairman of the Committee on Budgets . . . . .</i>	33
		22. <i>Agenda for the next sitting . . . . .</i>	34
		<i>Annex . . . . .</i>	35

## IN THE CHAIR : MRS VEIL

*President*

*(The sitting was opened at 5.00 p.m.)*

**President.** — The sitting is open.

1. *Resumption of the session*

**President.** — I declare resumed the session of the European Parliament which was suspended on Friday, 16 November 1979.

2. *Tribute to Mr Vondeling*

**President.** — Honourable Members, this is a very sad occasion for the European Parliament. It has come as a tragic shock to all of us to learn of the death in a car accident in the morning of 22 November 1979 of our Vice-President Mr Anne Vondeling. The news of this tragic accident could hardly have come at a worse time, since we all knew that Mr Vondeling was travelling on mission for the European Parliament when the accident happened and was on his way to a meeting of the enlarged Bureau to discuss the House's internal working procedures. It is a cruel blow to the new, directly elected European Parliament to lose one of its Vice-Presidents at this early stage.

Before he became a Member of the European Parliament, Mr Vondeling already had a particularly rich political career to look back on. This did not deter him from embarking on a new political career in Europe at the age of 63.

In view of the level of seniority he had attained — President of the Second Chamber in the Netherlands — his decision to embark on this new career was something of a step into the unknown. But his firm commitment to Europe led him to use his experience in the service of the European Parliament. I should like, on behalf of Parliament, to say how greatly his services were appreciated.

Mr Vondeling was born on 2 March 1916, and grew up in a part of the Netherlands that has very distinctive geographic and ethnic characteristics. He never lost the strength of character he drew from his native region. As a qualified engineer and doctor in agricultural economics, he maintained an interest in economic and agricultural matters throughout his life. A lecturer for many years at the Royal University of Groningen, he was the author of numerous publications on economics, public law and politics.

But his main interests were political. As a member of the Netherlands Labour Party, and chairman of its

executive committee from 1969 to 1971, he held his seat in the Netherlands Second Chamber from 1946 to 1979 without a break.

He had a highly distinguished parliamentary career; chairman of the Netherlands Parliamentary Labour Party from 1962 to 1965; elected President of the Second Chamber in 1972, an office which he held until July 1979.

He was twice a member of the Government, first as minister for agriculture, fisheries and foodstuffs in 1958, and as minister of finance and vice-president of the Government from 1965 to 1966. He also chaired the Netherlands Federation of Professional Trade Unions, the Labour Party's Scientific Institute, and administered a number of consumer cooperatives.

With this exceptionally rich political experience behind him, Mr Vondeling was in many ways an ideal Member of this Assembly. Always open to new ideas, he would insist, before making up his mind on any subject, on assembling all relevant information, but once his mind was made up, he would always be loath to change it. A natural optimist, he never lost the dynamism and eagerness to seek new solutions that are the hallmark of the true statesman. We may be sure that his frankness and open-mindedness were not unconnected with his thoroughly humanitarian views and highly developed taste in literature.

There was no reason why, in 1978, he should feel any obligation to embark on a new career in European politics. All his previous commitments had been to the political life of the Netherlands. The political switch could well have posed problems. But he chose to join us nevertheless, and we, the new Members of the European Parliament who were making our acquaintance with the Community institutions in July 1979 had reason to be glad that he was there with us.

He was elected a Vice-President of this Parliament at its constituent sitting on 17 July 1979. He was also active as a member of the Committee on Economic and Monetary Affairs and the Committee on the Rules of Procedure and Petitions.

As one who has worked with Mr Vondeling as a member of the Bureau, I can bear witness to his unflinching interest in the work of this House and his energetic efforts during the brief time when we worked together on the Bureau. During those few months all of us got to know him and to admire him.

His tragic death has prevented him from seeing the fruits of his new commitment to Europe, but we know that his contribution would have been outstanding. We shall all remember him with respect and gratitude.

**President**

I now ask the House to stand and observe one minute's silence.

*(The House stood for one minute's silence)*

I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — *(I)* Madam President, on behalf of the Commission, I associate myself entirely with the feeling of loss which you have expressed concerning the sad and sudden death of Vice-President Anne Vondeling.

Mr Vondeling was a man of great qualities. As you reminded us, he was a young man when he first became a member of the Dutch Parliament; not long afterwards, he was appointed Minister for agriculture and, on his return to Parliament, he attacked the injustices of society with energy and statesmanship and was unrivalled in the defence of the rights of Parliament. During his seven years as President of the Second Chamber of the States General he devoted himself to the task of perfecting parliamentary democracy. For him, the direct election of the European Parliament was the realization of a long-cherished dream. He had already served as a member of the Benelux Council, the Consultative Assembly of the Council of Europe and the western European Union. The election gave him the chance to give practical proof of his devotion to the cause of Europe and he was elected to this Parliament with a large majority.

His decision to stand was based on the belief that the supranational commitment entailed new and onerous responsibilities of vital importance. And it was to this task that he decided to devote his culture, his experience, his courteous but firm manner, his indefatigable energy and unshakeable belief that an efficient democracy is the only foundation for a just society.

This is why, like you, the Commission feels his death as a great loss to the Community.

### 3. Membership of the Court of Justice

**President.** — The representatives of the governments of the Member States of the European Community have informed me that they decided, on 22 November 1979, to extend from 22 November 1979 to 6 October 1985 inclusive the appointment of Mr Joseph Mertens de Wilmars as a judge at the Court of Justice of the European Community.

I take note of this decision on behalf of Parliament.

### 4. Membership of Parliament

**President.** — On 29 November 1979, I received from the competent Dutch authorities an official

communication informing me that Mrs Phili J. Viehoff has been appointed a Member of Parliament to replace Mr Vondeling.

I welcome this new Member to the European Parliament. Under Rule 3 (3) of the Rules of Procedure, she will provisionally take her seat on Parliament and its committees with the same rights as other Members.

### 5. Political groups

**President.** — I have been informed that Mr Pannella has been a member of the Group for the Technical Cooperation and Defence of Independent Groups and Members with effect from 26 November 1979.

*(Laughter)*

### 6. Petitions

**President.** — I have received the following petitions

- from Mr Jean Ostwald, on a request for compensation for forcible sterilization under the National Socialist Régime;
- from Mr D. Grossmann, on compensation for National Socialist persecution;
- from Mr Jakob Munch, on vivisection;
- from the Dismissed Civil Servants' Association of Greece, on the reinstatement and restitution of pension rights of dismissed civil servants in Greece;
- from Mr Mohamed Mushtaq, on freedom of movement within the European Community.

These petitions have been entered under Nos 22, 23, 24, 25 and 26/79 respectively in the register provided for under Rule 48 (2) of the Rules of Procedure and, pursuant to paragraph 3 of that same Rule, referred to the Committee on the Rules of Procedure and Petitions.

### 7. Documents received

**President.** — I have received:

- (a) from the Council, requests for opinions on the following Commission proposals:
  - I. a Regulation amending Regulation (EEC) No 805/68 on the common organization of the market in beef and veal
  - II. a Regulation opening a Community tariff quota for high-quality, fresh, chilled and frozen beef and veal within subheadings 02.01 A II a) and 02.01 A II b) of the Common Customs Tariff
  - III. a Regulation amending Regulation (EEC) No 950/68 on the Common Customs Tariff

**President**

IV. a Regulation amending certain rates of customs duties for agricultural products and amending Regulation (EEC) No 516/77 on the common organization of the market in products processed from fruit and vegetables

(Doc. 1-532/79)

which have been referred to the Committee on External Economic Relations as the committee responsible and the Committee on Agriculture and the Committee on Budgets for their opinions ;

— Directive amending directive 72/276/EEC on the approximation of the laws of the Member States relating to certain methods for the quantitative analysis of binary textile fibre mixtures (Doc. 1-533/79)

which has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and the Committee on the Environment, Public Health and Consumer Protection for its opinion ;

— Directive amending Directive 79/113/EEC on the approximation of the laws of the Member States relating to the determination of the noise emission of construction plant and equipment (Doc. 1-534/79)

which has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and the Committee on the Environment, Public Health and Consumer Protection for its opinion ;

— Regulation extending the period of validity of Regulation (EEC) No 2862/77 on levies applicable to imports of certain adult bovine animals and beef from Yugoslavia (Doc. 1-541/79)

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 Budgets for their opinions ;

— Regulation providing for technical amendments to Regulation (EEC) No 587/79 laying down for 1979 certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of Norway (Doc. 1-542/79)

which has been referred to the Committee on Agriculture ;

— Directive prolonging, in respect of swine fever, certain derogations granted to Denmark, Ireland and the United Kingdom (Doc. 1-543/79)

which has been referred to the Committee on Agriculture ;

— Regulation amending the list of countries and territories in Regulation (EEC) No 706/76 on the arrangements applicable to agricultural products and certain goods resulting from the processing of agricultural

products originating in the African, Caribbean and Pacific States or in the overseas countries and territories (Doc. 1-558/79)

which has been referred to the Committee on Development and Cooperation as the committee responsible and the Committee on Budgets for its opinion ;

— Directive amending Directive 66/403/EEC on the marketing of seed potatoes (Doc. 1-560/79)

which has been referred to the Committee on Agriculture ;

— Directive amending Directive 77/62/EEC coordinating procedures for the award of public supply contracts (Doc. 1-572/79)

which has been referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on External Economic Relations and the Legal Affairs Committee for their opinions ;

— Regulation amending Regulation (EEC) No 1035/72 on the common organization of the market in fruit and vegetables (Doc. 1-573/79)

which has been referred to the Committee on Agriculture as the committee responsible and the Committee on Budgets for its opinion ;

I. a Regulation amending Regulation (EEC) No 939/79 laying down general rules for the supply of milk fats to certain developing countries and specialized bodies under the 1979 food-aid programme

II. a regulation amending Regulation (EEC) No 940/79 on the supply of milk fats to certain developing countries and specialized bodies under the 1979 food-aid programme

(Doc. 1-574/79)

which have been referred to the Committee on Development and Cooperation as the committee responsible and the Committee on Agriculture and the Committee on Budgets for their opinions ;

— Regulation laying down certain measures for the conservation and management of fishery resources applicable to vessels flying the flag of certain non-Member countries in the 200 nautical mile zone off the coast of the French department of Guyana (Doc. 1-575/79)

which has been referred to the Committee on Agriculture ;

(b) from the Committees, the following reports :

— by Mr Key, on behalf of the Committee on Budgetary Control, on the special report of the Court of Auditors at the request of the Parliament on the accounts for 1977 and 1978 on entertainment and representation allowances and expenses of the members of the Commission and on their mission expenses (Doc. 1-537/79) ;

## President

- by Mr von Wogau, on behalf of the Committee on Economic and Monetary Affairs, on the proposal from the Commission of the European Communities to the Council (Doc. 1-372/79) for a regulation amending for the second time Regulation (EEC) No 222/77 on Community transit (Doc. 1-544/79);
- by Mr Schmidt, on behalf of the Committee on External Economic Relations, on the proposal from the Commission of the European Communities to the Council (Doc. 1-362/79) for a regulation opening a Community tariff quota for frozen buffalo meat under subheading 02.01 A II b) 4 bb) 33 of the Common Customs Tariff (Doc. 1-545/79);
- by Mrs Caretoni Romagnoli, on behalf of the Committee on External Economic Relations, on the proposals from the Commission of the European Communities to the Council (Doc. 1-375/79) for :
  - I. a Regulation amending Regulations (EEC) No 1508/76, (EEC) No 1514/76 and (EEC) No 1521/76 on imports of olive oil originating in Tunisia, Algeria and Morocco (1979/80)
  - II. a Regulation amending Article 9 of Regulation (EEC) No 1180/77 on imports into the Community of certain agricultural products originating in Turkey (1979/80)
 (Doc. 1-546/79);
- report by Mr Lemmer, on behalf of the Committee on External Economic Relations, on the proposal from the Commission of the European Communities to the Council (Doc. 1-266/79) for a Directive on the harmonization of procedures for the exportations of goods (Doc. 1-547/79);
- report by Mr Giummarra, on behalf of the Committee on External Economic Relations, on the proposal from the Commission of the European Communities (Doc. 39/79) for a Regulation setting up a Community system of reliefs from customs duty (Doc. 1-548/79);
- by Mr Beumer, on behalf of the Committee on Economic and Monetary Affairs, on the proposal from the Commission of the European Communities to the Council (Doc. 158/79) for a Tenth Directive on the harmonization of the laws of the Member States relating to turnover taxes, supplementing Directive 77/388/EEC — application of value added tax to the hiring out of movable tangible property (Doc. 1-550/79);
- by Mr Remilly, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission of the European Communities to the Council (Doc. 143/79) for a Directive amending for the second time Directive 74/329/EEC on the approximation of the laws of the Member States relating to emulsifiers, stabilizers, thickeners and gelling agents for use in foodstuffs (Doc. 551/79);
- by Mr Ghergo, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission of the European Communities to the Council (Doc. 88/79) for a Decision adopting a five-year research and training programme (1980 to 1984) of the European Atomic Energy Community in the field of biology — Health protection (Radiation Protection Programme) (Doc. 552/79);
- by Mr Buchou, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council (Doc. 1-391/79) for a Regulation on the granting of assistance for the exportation of agricultural products which may benefit from a special import treatment in a third country (Doc. 1-553/79);
- by Mr von Bismarck, on behalf of the Committee on Economic and Monetary Affairs, on the proposal from the Commission of the European Communities to the Council (Doc. 1-448/79) for a Decision adopting the annual report on the economic situation in the Community and laying down the economic policy guidelines for 1980 (Doc. 1-559/79);
- by Mrs Caretoni Romagnoli, on behalf of the Committee on External Economic Relations, on the proposal from the Commission of the European Communities to the Council (Doc. 1-364/79) for a Regulation on the total or partial suspension of Common Customs Tariff duties on certain agricultural products originating in Turkey (1980) (Doc. 1-562/79);
- by Mr Jürgens, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council (Doc. 1-354/79) for a regulation amending Regulation (EEC) No 1117/78 on the common organization of the market in dried fodder and Regulation (EEC) No 827/78 on the common organization of the market in certain products listed in Annex II to the Treaty (Doc. 1-564/79);
- by Mr Maher, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council (Doc. 1-323/79) for a decision authorizing the United Kingdom to grant a national aid to milk producers in Northern Ireland (Doc. 1-565/79);
- by Mr Almirante, on behalf of the Committee on External Economic Relations, on the proposals from the Commission of the European Communities to the Council (Doc. 1-363/79) for :
  - I. a regulation opening, allocating and providing for the administration of a Community tariff quota for wines of fresh grapes falling within subheading ex 22.05 C of the Common Customs Tariff and originating in Cyprus (1980);

## President

II. a regulation opening, allocating and providing for the administration of a Community tariff quota for liqueur wines falling within subheading ex 22.05 C of the Common Customs Tariff and originating in Cyprus (1980)

(Doc. 1-568/79);

— by Mr Giummarra, on behalf of the Committee on External Economic Relations, on the proposal from the Commission of the European Communities to the Council (Doc. 1-450/79) for a regulation opening, allocating and providing for the administration of a Community tariff quota for frozen beef and veal falling within subheading 02.01 A II b) of the Common Customs Tariff (1980) (Doc. 1-569/79);

— by Mr Newton Dunn, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission of the European Communities to the Council (Doc. 194/79) for a decision concerning chlorofluorocarbons in the environment (Doc. 1-570/79);

— by Mrs Cresson, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council (Doc. 1-253/79) for a Regulation laying down conditions designed to render and keep the territory of the Community free from classical swine fever (Doc. 1-571/79);

— by Mrs Weber, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission of the European Communities to the Council (Doc. 11/79) for a second five-year programme (1980 to 1984) on radioactive waste management and storage (Doc. 1-576/79);

— by Mr R. Jackson, on behalf of the Committee on Budgets, on the outcome of Council's deliberations on the amendments adopted by the European Parliament to Section I — Parliament — of the draft general budget of the European Communities for the financial year 1980 (Doc. 1-577/79);

— by Mr R. Jackson, on behalf of the Committee on Budgets, on the outcome of Council's deliberations on the amendments adopted by the European Parliament to Section V — Court of Auditors — of the draft general budget of the European Communities for the financial year 1980 (Doc. 1-578/79);

— by Mr R. Jackson, on behalf of the Committee on Budgets, on the outcome of Council's deliberations on the amendments adopted by the European Parliament to Annex I of Section II — Council: Economic and Social Committee — of the draft general budget of the European Communities for the financial year 1980 (Doc. 1-579/79);

— by Mr Dankert, on behalf of the Committee on Budgets, on draft amending and supplementary budget No 3 of the European Communities for the financial year 1979 established by the Council on 29 October 1979 (Doc. 1-470/79) (Doc. 1-580/79);

— by Mr Dankert, on behalf of the Committee on Budgets, on the draft general budget of the European

Communities for the financial year 1980 — Section III — Commission — amended by Parliament and modified by the Council, and on the outright rejection of the 1980 draft budget (Doc. 581/79);

— by Mrs Hoff, on behalf of the Committee on Budgets, on the fixing of the ECSC levies and the drawing up of the ECSC operational budget for 1980 (Doc. 1-531/79) — (Doc. 1-582/79);

(c) for Question Time on 10 and 11 December 1979, oral questions, pursuant to Rule 47A of the Rules of Procedure, by:

Mr Berkhouwer, Mr Schmid, Mr Debré, Mr Calvez, Mr de la Malène, Lord Bethell, Mr Moreland, Mrs Wieczorek-Zeul, Mr Deleau, Mr Ansquer, Mr Poncelet, Miss de Valera, Mr Paisley, Mr Donnez, Sir John Stewart-Clark, Mr Almirante, Mr van Aerssen, Mr Purvis, Mr Seal, Mr Provan, Mr Leonardi, Mr Habsburg, Mr Radoux, Mrs Ewing, Mr Sherlock, Lady Elles, Mr Bersani, Mr de Pasquale, Mr Battersby, Sir Peter Vanneck, Mr Cronin, Mr Cecovini, Mr Schwartzberg, Miss Brookes, Mr Papapietro, Mrs Füllet, Mr Michel, Mrs Weber, Mr Carossino, Mrs Kellett-Bowman, Mr McCartin, Mr Hutton, Mr O'Leary, Mr Irmer, Mr Caborn, Mr Damseaux, Mr Albers, Mr Kavanagh, Mrs Squarcialupi, Mr Collins, Mr Oehler, Mr Pearce, Mr Beumer, Mrs Charzat, Mrs Lizin, Mr Spicer, Mr Bettiza, Mr Seeler, Mr Van Miert, Mr Bersani, Mrs Ewing, Mr Schwartzberg, Mr Berkhouwer, Mrs Chouraqui, Mr Deleau, Mr Kavanagh, Mr Provan, Mr Battersby, Ms Clwyd, Mrs Desmond, Mr Sieglerschmidt, Mr Normanton, Mr Klepsch, Mr Fergusson and Mrs Lizin (Doc. 1-566/79);

(d) the following motions for resolutions, pursuant to Rule 25 of the Rules of Procedure:

— by Mrs Cassanmagnago Cerretti, Mr Barbagli, Mrs Majj-Wegen, Mr Nordlohne, Mr Verhaegen, Mr McCartin, Mr Spautz, Mrs Moreau, Mr Dalsass, Mr Ghergo, Mr Wawrzik, Mr von Bismarck, Mr Vandewiele and Mr Giavazzi, on behalf of the Group of the European People's Party (C-D Group), on migrant workers (Doc. 1-535/79/rev. II)

which has been referred to the Committee on Social Affairs and Employment as the committee responsible, and to the Political Affairs Committee and the Legal Affairs Committee for their opinions;

— by Mr Albers, Mr Seefeld, Mr Gabert, Mr Klinkenborg, Mr Key, Mr Loo, Mr Arndt, Mr Enright, Mr Linkohr and Mr Oehler, on harmonization of social provisions in the transport sector (Doc. 1-536/79)

which has been referred to the Committee on Social Affairs and Employment as the committee responsible, and to the Committee on Transport for its opinion;

— by Mr Berkhouwer, on behalf of the Liberal and Democratic Group, on the development of a coordinated European air traffic control system (Doc. 1-554/79)

which has been referred to the Committee on Transport;

**President**

(e) the following motion for a resolution :

- by Sir Fred Catherwood, on behalf of the Committee on External Economic Relations, on the conclusion by the European Communities of the GATT multilateral trade negotiations (Tokyo Round) (Doc. 1-561/79);
- by Mr Lima, on the motorway situation between Brussels, Luxembourg and Strasbourg (Doc. 1-583/79),

which has been referred to the Committee on Transport ;

(f) from the Commission  
on 23 November 1979

- a proposal for the transfer of appropriations No 33/79 between chapters in Section III — Commission — of the general budget for the European Communities for the financial year 1979 (Doc. 1-538/79)

which has been referred to the Committee on Budgets ;

- a proposal for the transfer of appropriations No 34/79 between chapters in Section V — Court of Auditors — of the general budget for the European Communities for the financial year 1979 (Doc. 1-539/79)

which has been referred to the Committee on Budgets ;

Since the proposed transfers concern expenditure not necessarily resulting from the Treaties, I have consulted the Council on behalf of Parliament in accordance with the provisions of the Financial Regulation.

(g) from the Council, opinions on :

- the proposal for the transfer of appropriations No 29/79 between chapters within Section III — Commission — of the general budget for the European Communities for the financial year 1979 (Doc. 1-439/79) — (Doc. 1-540/79)

which has been referred to the Committee on Budgets :

- the proposal for the transfer of appropriations No 28/79 between chapters within Section IV — Court of Justice — of the general budget for the European Communities for the financial year 1979 (Doc. 1-441/79) — (Doc. 1-556/79)

which has been referred to the Committee on Budgets ;

- the proposal for the transfer of appropriations No 30/79 between chapters within Section III — Commission — of the general budget for the European Communities for the financial year 1979 (Doc. 1-440/79) — (Doc. 1-557/79)

which has been referred to the Committee on Budgets ;

(h) from the Council, a request for an opinion on :

- the proposal for the transfer of appropriations No 35/79 between chapters within Section III — Commission — of the general budget for the European Communities for the financial year 1979 (Doc. 1-549/79)

which has been referred to the Committee on Budgets ;

(i) from the Council :

- the draft general budget of the European Communities for the financial year 1980, modified by the Council on 23 November 1979 (Doc. 1-563/79)

which has been referred to the Committee on Budgets ;

(j) from the Court of Auditors :

- the annual report for the financial year 1978 (Doc. 1-567/79)

which has been referred to the Committee on Budgetary Control.

#### 8. *Texts of Treaties forwarded by the Council*

**President.** — I have received from the Council certified true copies of the following documents :

- Act of notification of the approval by the Community of the agreement between the European Economic Community and the Argentine Republic on trade in textile products ;
- Act of notification of the approval by the Community of the agreement between the European Economic Community and the People's Republic of Bangladesh on trade in textile products ;
- Act of notification of the approval by the Community of the agreement between the European Economic Community and the Republic of Korea on trade in textile products ;
- Act of notification of the approval by the Community of the agreement between the European Economic Community and the Democratic Socialist Republic of Sri Lanka on trade in textile products ;
- Act of notification of the approval by the Community of the agreement between the European Economic Community and the Kingdom of Thailand on trade in textile products ;
- Agreement between the European Economic Community and Indonesia on trade in textile products ;
- Act of notification of the approval by the Community of the Community-COST concertation agreement on a concerted action project in the field of treatment and use of sewage sludge (COST project 68 bis) ;
- Act of notification of the approval by the Community of the agreement and the agreement in the form of an exchange of confidential letters between the European Economic Community and Macau on trade in textile products ;
- Act of notification of the approval by the Community of the agreement and the agreement in the form of an exchange of confidential letters between the European Economic Community and the Islamic Republic of Pakistan on trade in textile products ;
- Agreement between the European Economic Community and the Government of Sweden on certain measures for the purpose of promoting the reproduction of salmon in the Baltic Sea ;

**President**

- Agreement in the form of two exchanges of letters, one providing for the provisional application of the agreement between the European Economic Community and the Government of Sweden on certain measures for the purpose of promoting the reproduction of salmon in the Baltic Sea, and one concerning the application in 1979 of that agreement.

These documents will be placed in Parliament's archives.

9. *Transfer of appropriations*

**President.** — The Committee on Budgets has informed me that it has delivered a favourable opinion on the following transfers of appropriations for the 1979 financial year:

- proposed transfer No 27 (Doc. 1-429/79)
- proposed transfer No 31 (Doc. 1-471/79).

In order to take account of an opinion expressed by the Court of Auditors on the subject, the Commission has been asked to ensure that the proposed transfers of appropriations receive the approval of the Financial Controller, this being a precondition of a favourable decision on new proposals for transfers of appropriations.

I note this statement on behalf of Parliament.

10. *Authorization of reports*

**President.** — Pursuant to Rule 38 of the Rules of Procedure, I have authorized:

- the Committee on Regional Policy and Regional Planning to draw up a report on the Community's regional development programmes;
- the Committee on Transport to draw up a report on transport and energy conservation. The Committee on Energy and Research has been asked for its opinion.

11. *Referral to committee*

The Committee on the Rules of Procedure and Petitions has notified the Bureau that paragraph 3 of the motion for a resolution on the procedure applied by the *Cour de Sécurité de l'Etat* in France (Doc. 1-336/79), which was referred to it at the sitting of 26 September 1979, does not fall within its terms of reference. The Bureau has decided to refer the entire motion for a resolution to the Political Affairs Committee.

12. *Motions for resolutions Docs. 1-330/79, 1-365/79 and 1-368/79*

**President.** — The chairman of the Committee on the Rules of Procedure and Petitions has informed me that in view of Parliament's decision at its sitting of 26

October 1979 to set up an *ad hoc* committee on women's rights, the following motions for resolutions calling for such a committee to be set up have been rendered superfluous:

- Doc. 1-330/79, referred to it on 26 September 1979;
- Doc. 1-365/79, referred to it on 28 September 1979;
- Doc. 1-368/79, referred to it on 28 September 1979.

13. *Organization of the business of the part-session*

**President.** — The draft agenda for this part-session has been drawn up by the enlarged Bureau in accordance with measures which it has taken to improve the working conditions of Parliament and its staff.

The main measures are:

- Strict application of the decision of 15 January 1979 as amended by the Bureau on 22 November 1979 concerning the timing of plenary sittings, i.e.:
  - on Mondays, from 5 p.m. to 8 p.m., with Question Time (questions to the Commission) from 6.30 p.m. to 8 p.m.
  - on Tuesdays, from 9 a.m. to 1 p.m. and from 3 p.m. to 7 p.m.
  - on Wednesdays, from 9 a.m. to 1 p.m. and from 3 p.m. to 7 p.m., with Question Time (questions to the Council) from 5.30 p.m. to 7 p.m.
  - on Thursdays, from 10 a.m. to 1 p.m., from 3 p.m. to 8 p.m. and from 9 p.m. to midnight
  - on Fridays, from 9 a.m. to 1 p.m., with the possibility of continuing the proceedings to 2 p.m. at the latest.
- the fixing of deadlines for the tabling of amendments in order to facilitate the work of the technical departments.

Details of these decisions will be published in the Bulletin of the European Parliament.

14. *Order of business*

**President.** — The next item is the order of business. At its meeting of 29 November 1979, the enlarged Bureau drew up the draft agenda (PE 62.463/rev.) which has been distributed.

At its meeting this afternoon, the enlarged Bureau instructed me to propose that the vote on the second reading of draft amending and supplementing and supplementary budget No 3, which has been included as a possible item on the agenda for Friday, 14 December, should be brought forward to Thursday, 13 December, either at 3.00 p.m. or after the vote on the 1980 general budget.

I have also been informed that the President-in-Office of the Council will be unable to be present at 9.00 a.m. on Wednesday, 12 December, to make this statement on the Dublin European Council and the activi-

**President**

ties of the Irish presidency during the past six months. The debate will therefore be opened by the President of the Commission, with the Council speaking later that morning.

I call Mr Klepsch.

**Mr Klepsch.** — (D) Madam President, you have left open the question of when it would be best to take the vote on the supplementary budget for 1979, because the one vote, the one we are taking tomorrow, may be enough.

All I should like to say on behalf of my group is that we should like to see the budget votes taking place at the same time on Wednesday. In other words, we feel we should not leave the vote on the 1979 supplementary budget until the afternoon, but take it in the morning, if the other votes are also scheduled for the morning.

**President.** — Mr Klepsch, there is no change as far as the first reading of the draft supplementary budget is concerned. The second reading will take place following the vote on the 1980 draft budget, on Thursday, not on Friday.

I call Mr Klepsch.

**Mr Klepsch.** — (D) Madam President, I object to only one word, and that is *after* the vote on the 1980 budget. I feel it would be a good idea to vote on the supplementary budget for 1979 before we vote on the 1980 budget. But this is probably academic, because I am assuming there will not be a second vote.

(Laughter)

**President.** — Are there any objections?

That is agreed.

The order of business will therefore be as follows:

*This afternoon until 8.00 p.m.:*

- Procedure without report
- Commission statement on action taken on opinions and proposals of Parliament
- Election of a Vice-President
- Question Time (1½ hours of questions to the Commission)
- Dankert report on draft amending and supplementary budget No 3 for 1979

*Tuesday 11 December 1979, 9.00 a.m. until 1.00 p.m. and 3.00 p.m. until 7.00 p.m.:*

- Possibly, continuation of the debate on the Dankert report on draft amending and supplementary budget No 3
- Dankert report on the 1980 general budget and on the outright rejection of that budget

- Supplementary reports by Mr R. Jackson on Section I, Section II Annex, and Section V of the 1980 general budget

- Hoff report on the ECSC levies for 1980

*3.00 p.m.:*

- Vote on the draft amending and supplementary budget No 3 for 1979, and on the motion for a resolution contained in the Dankert report

*Wednesday, 12 December 1979, 9.00 a.m. until 1.00 p.m. and 3.00 p.m. until 7.00 p.m.:*

- Statements by the Council and Commission on the European Council in Dublin and statement by the Council on the Irish Presidency (followed by a debate)

*5.30 p.m. until 7.00 p.m.:*

- Question Time one hour of questions to the Council and half an hour of questions to the Foreign Ministers)

*Thursday, 13 December 1979, 10.00 a.m. until 1.00 p.m., 3.00 p.m. until 8.00 p.m. and 9.00 p.m. until midnight:*

- Dankert report on the 1980 general budget and the outright rejection of this budget
- R. Jackson reports on Section I, Section II Annex and Section V of the 1980 general budget

*10.30 a.m.:*

- Vote on the draft general budget of the Communities for 1980, modified by the Council, and on the motions for resolutions contained in the Dankert report and the R. Jackson reports

*Following this vote or at 3.00 p.m.:*

- Possibly, vote on the second reading of the draft amending and supplementary budget No 3 for 1979 and on the motion for a resolution contained in the Dankert report
- Voting time:
- Von Bismarck report on the annual report on the economic situation in the Community
- Ferri report on intervention by Parliament before the Court of Justice
- Joint debate on the Catherwood motion for a resolution on the Tokyo Round, the Schmitt report, the Caretoni Romagnoli report and the Giummarra report on regulations on imports into the Community
- Lega report on the Staff Regulations of officials of the Communities
- Key report on the allowances of Members of the Commission

*Friday, 14 December 1979, 9.00 a.m. until 1.00 p.m. possibly 2.00 p.m.:*

- Procedure without report

## President

10.30 a.m.:

- Beumer report on turnover taxes
- Remilly report on emulsifying and other agents for use in foodstuffs
- Jürgens report on dried fodder
- Buchou report on assistance for the exportation of agricultural products

End of sitting:

- Voting time

Are there any objections?

The order of business is so adopted.

## 15. Speaking time

**President.** — Pursuant to Rules 28 and 36A of the Rules of Procedure, I propose that speaking time be allocated as follows:

- *debate on the draft general budget for 1980, modified by the Council:*

Council and Commission :	45 minutes
Mr Dankert, rapporteur :	30 minutes
Mr R. Jackson, rapporteur :	15 minutes
Draftsmen of opinions :	30 minutes
Members :	240 minutes

broken down as follows:

— Socialist Group :	58 minutes
— Group of the European People's Party (C-D Group) :	53 minutes
— European Democratic Group :	35 minutes
— Communist and Allies Group :	25 minutes
— Liberal and Democratic Group :	24 minutes
— Group of European Progressive Democrats :	15 minutes
— Group for the Technical Coordination and Defence of Independent Groups and Members :	10 minutes
— Non-attached Members :	20 minutes

Total	6 hours
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*Statements by the Council and the Commission on the European Council meeting in Dublin and on the Irish presidency:*

Council and Commission :	60 minutes
Members :	300 minutes

broken down as follows:

— Socialist Group :	76 minutes
— Group of the European People's Party (C-D Group) :	68 minutes
— European Democratic Group :	44 minutes
— Communist and Allies Group :	32 minutes
— Liberal and Democratic Group :	29 minutes
— Group of European Progressive Democrats :	18 minutes
— Group for the Technical Coordination and Defence of Independent Groups and Members :	11 minutes
— Non-attached Members :	22 minutes

Total	6 hours
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- *Items placed on the agenda for the sitting of Thursday, 13 December (overall speaking time):*

Commission :	40 minutes
Rapporteurs :	40 minutes
Members :	360 minutes

broken down as follows:

— Socialist Group :	90 minutes
— Group of the European People's Party (C-D Group) :	85 minutes
— European Democratic Group :	53 minutes
— Communist and Allies Group :	36 minutes
— Liberal and Democratic Group :	35 minutes
— Group of European Progressive Democrats :	22 minutes
— Group for the Technical Coordination and Defence of Independent Groups and Members :	13 minutes
— Non-attached Members :	24 minutes

- *Items placed on the agenda for the sitting of Friday, 14 December (overall speaking time):*

Commission :	20 minutes
Rapporteurs :	20 minutes
Members :	180 minutes

broken down as follows:

— Socialist Group :	41 minutes
— Group of the European People's Party (C-D Group) :	39 minutes
— European Democratic Group :	26 minutes
— Communist and Allies Group :	19 minutes
— Liberal and Democratic Group :	18 minutes
— Group of European Progressive Democrats :	12 minutes
— Group for the Technical Coordination and Defence of Independent Groups and Members :	9 minutes
— Non-attached Members :	16 minutes

For all the other reports and motion for resolutions on the agenda, I propose that speaking time be limited as follows:

10 minutes for the rapporteur and for one speaker on behalf of each group

5 minutes for all other speakers.

Are there any objections?

I call Mr Pannella.

**Mr Panella.** — (F) Madam President, I believe that, as we feared, constant recourse to Rule 28 and now Rule 31A will in fact prevent genuine debate in this Parliament. I understand the problem very well: you are anxious to see things run smoothly. More so than in other parliaments we must have clear ideas about the timetable for our work, because we have problems with interpreting that we do not have in our national parliaments. But what is now being imposed on us is

**Panella**

a downright change in the Rules of Procedure, because once you propose the application of Rule 28 to all major debates and all important debates, it follows that our debates are not governed by normal procedures but by extraordinary rules. I very much regret this. I hear it said that in a very important debate 360 minutes are to be set aside for all the Members of this House. That represents less than one minute for each parliamentarian. And that means quite simply that any right of initiative and, therefore, any right a parliamentarian has to contribute to the debate, which it is also his duty to do, has become practically excluded. That is why, Madam President, I shall vote against, and I shall oppose the application of Rule 28 to the four debates to which you have referred.

**President.** — This matter was discussed at great length and with great care in the Bureau, which was unable to find any other solution that would allow us to conduct our proceedings suitably. If we were to debate every item for as long as every Member would like, we would have to sit on every day of the year.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Madam President, I am not objecting to your allocation of speaking time, but I wonder whether, if a group wished to do so, it could take some of the time allocated to it on Friday and use it on Thursday.

**President.** — If the groups wish to make their own arrangements for switches of that kind, I can see no objection. The important thing is that the time table drawn up for each day's proceedings must be kept to.

I call Mr Panella.

**Mr Panella.** — (*F*) Madam President, I find it hard to accept that Parliament should not oppose this proposal, that is should agree to a set procedure and allocation of speaking time, and that we should submit to political agreements reached by the groups to change the balance of these debates. This is a political act, which may become serious. If the European Democratic Group and another group agree on a subject that interests them both, they have a right to twice the time. I find that makes good sense, but we cannot go on establishing rules in this Parliament, Madam President, which are in some way exceptional, and then change the rules previously adopted. I would therefore beg you not to agree to Mr Scott-Hopkins' request.

**President.** — Are there any objections to the proposals I have made?

I note that Parliament agrees to these proposals.

I urge the political groups and the non-attached Members to select their speakers for the different debates as soon as possible, since the lists of speakers

will be closed ten minutes after the opening of each debate.

*16. Deadline for tabling amendments*

**President.** — I have fixed the deadline for tabling amendments to draft amending and supplementary budget No 3 for 1979 and that for tabling amendments to or proposing outright rejection of the 1980 draft general budget at 5.00 p.m. this afternoon.

Where the other reports are concerned, I propose the following deadlines for tabling amendments:

- 6.00 p.m. today for the reports scheduled for Tuesday, 11 December;
- 6.00 p.m. on Tuesday, 11 December for the reports on the agenda for Thursday, 13 December;
- 6.00 p.m. on Wednesday, 12 December for the reports on the agenda for Friday, 14 December.

Are there any objections?

That is agreed.

*17. Procedure without report*

**President.** — Pursuant to Rule 27 A (5) of the Rules of Procedure, the following Commission proposal has been placed on the agenda for this sitting for consultation without report:

- Directive amending Council Directive 78/25/EEC on the approximation of the laws of the Member States relating to the colouring matters which may be added to medicinal products (Doc. 1-389/79)

which had been referred to the Committee on the Environment, Public Health and Consumer Protection.

Unless any Member asks leave in writing to speak on this proposal, or amendments are tabled to it before the opening of the sitting of Friday, 14 December 1979, I shall, at that sitting, declare the proposal to be approved pursuant to Rule 27A (6) of the Rules of Procedure.

*18. Action taken by the Commission on the opinions and proposals of Parliament — Agenda*

**President.** — The next item is the statement by the Commission on the action taken on the opinions and proposals of the European Parliament.<sup>1</sup>

I call Mr Maher.

**Mr Maher.** — Madam President, before we leave the question of the agenda, I want to make one point briefly. It relates to a report which I had the task of preparing in the Committee on Agriculture on special payments to milk producers in the North of Ireland.

<sup>1</sup> See Annex.

**Maher**

The Committee on Agriculture recommended that it be taken at this part-session, but I understand that the Bureau has decided to leave it until January. It is a matter that will take up very little time on the agenda, and I therefore ask for it to be taken at this part-session. Otherwise there could be problems relating to this payment to milk producers in the North of Ireland. This is an internal matter to the UK, it does not require any payment from the European Community, I do not think there will be any debate, and it will take very little time. I should be very pleased if it could be taken, Madam President.

**President.** — This report had not been tabled when the draft agenda was drawn up. I can give no assurance that Parliament will have time to consider it, since the agenda is extremely heavy. The Bureau will consider the matter at its next meeting.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — There are two matters, Madam President: may I first support what has just been said, and may I suggest that this item could be taken as a report without debate on Friday? The rapporteur is quite right; this will not cost a sou, and it is something which people have been waiting for in the United Kingdom and Northern Ireland for some time, and I hope it will be taken.

But my main reason for rising, Madam President, is what you have just said concerning the action taken on what we have done. The report which the Commission has given to us on the action taken on opinions delivered by the European Parliament is all very fine as far it goes. What it says is: everything is under consideration in the Council — and that means all the reports that we adopted without change. Fine. But what has happened to the ones we wanted to amend? What is the Commission doing about those? There is not a word about them. If you look at the document in front of us (PE 62.786) you will see that there is a whole list of matters here: reports on energy by Mr Gallagher, social affairs by Mr Peters, use of culture and education by Mr Pedini, and so on. I want to know what the Commission has done about them. But there is not a word. Why does it not tell us in this document here? Are they still under consideration in the Commission? Is the Commission not going to do anything about them? Or have they taken a decision which they do not want to tell us about?

Let us not labour the point, but I really think the Commission have got to pay a little more attention to Parliament; they ought to come to the House and say what they are doing — or, if they have done nothing, tell us that, and tell us why they have done nothing. But unless they do this, there is a very unsatisfactory state of affairs, and frankly, on behalf of my group, I am not prepared to accept the present situation.

*(Applause from certain quarters on the right)*

**President.** — I call Mr Natali.

**Mr Natali, Vice-President of the Commission.** — (I) Madam President, our document states what action was taken on the opinions expressed by Parliament. I am, of course, available to give detailed information on particular points and to explain precisely what action was taken. The resolutions mentioned by Mr Scott-Hopkins, including that of Mr Gallagher, were addressed to the Council rather than to the Commission and that is why we have given no answer, but I am willing to give you any information you require on anything else.

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

**Mr Scott-Hopkins.** — Madam President, let us not weary the House with it now, but would the Commission in future please include this information in their report, so that we do not have this tedious business of me or one of the honourable Members getting up and saying: Will they please tell us? It ought to be in the report they submit to us. That is all I am asking. I do not want the debate to go on now, there are much more important matters to discuss. But we should know what they have done about, for instance, the development of world cooperation, or hunger in the world. They really ought to include this information in their report, and I hope they will in future.

**President.** — I call Mr Natali.

**Mr Natali.** — (I) I do not want to prolong the discussion either but, since reference has been made to hunger in the world, I should like to point out that information on that subject was given at the last part-session. I should also like to remind Mr Scott-Hopkins that, unless I am mistaken, there was only recently a debate on world hunger which also concerned some amendments from the Committee on Development and Cooperation.

**President.** — I call Mr J. D. Taylor.

**Mr John D. Taylor.** — Madam President, I rise to support the request by Mr Maher, the rapporteur for the Committee on Agriculture, and by Mr Scott-Hopkins, on behalf of the European Democratic Group, that the proposal in relation to the Northern Ireland milk support scheme be placed on Friday's agenda as a report without debate. This is a matter which is of extreme urgency to Northern Ireland milk producers, it is one which is supported by the Commission and which has been approved by the Committee on Agriculture; it does not involve any financial support whatsoever from the Community, and I feel certain that it could be approved by the nod of heads on Friday in a minimum of time. I request you to reconsider it.

**President.** — I call Mr Paisley.

**Mr Paisley.** — Madam President, I should like also to pass some remarks about the fact that report is not coming before this session. As has already been pointed out by other Members of this House, it is not a matter which is going to cost the Community anything — it is really an internal matter and one which merits urgent consideration. I trust, therefore, that the Bureau will consider it and see to it that it is placed on the agenda for Friday. It also highlights the fact that Northern Ireland is the only major part of this European Community that has not got a representative on the Committee on Agriculture, and I think that that is a matter of shame to this Parliament and should be remedied. I am certainly grateful to the honourable Member from the Republic of Ireland for bringing this matter forward.

**President.** — I call Mr Rogers.

**Mr Rogers.** — Madam President, is this being asked for under Rule 14? That this be placed on the agenda as a matter of urgency? Because if it is, I should like to remind you of a request from the Committee on the Environment, Public Health and Consumer Protection, relating to the disposal of radioactive waste, which some may consider more important than dairy farming in certain parts of the Community. This request was rejected on the grounds that it was submitted by a committee and not on the basis of the signatures of 21 Members. Now under the new Rules of Procedure, if this is, in fact, how it is to be, I do not think we should make cost judgments, as has been suggested by those Members who have talked about what matters should come before this Parliament for debate, but rather that we should adopt one rule for all — or do we have one rule for the farmers in this Community and another for the other people? This is how it seems to be on many of the issues.

Now I would hope, Madam President, if this is being treated and brought forward as a matter of urgency, that you either rule it out of order, or you refer it to the Bureau, or it is put in on a proper basis and treated in the same way that you have ruled other committees should be treated.

**President.** — The situation is not the same. In the one case we have a request for urgent debate, and in the other a report. At all events, the matter will be referred to the Bureau which will decide whether it is acceptable for the report to be placed on the agenda for Friday morning, if possible without debate to save time.

I call Mr Paisley.

**Mr Paisley.** — Madam President, could you tell us when the Bureau will be able to notify the House whether they are going to take the debate on this report?

When will we know one way or the other?

**President.** — The Bureau meeting is scheduled for Thursday, so you will know one way or the other by Thursday afternoon.

I would recall that the only reason this report was not placed on the agenda is that it had not been tabled when the draft agenda was being drawn up.

#### 19. Election of a Vice-President

**President.** — The next item is the election of a Vice-President.

I have received from the Socialist Group the nomination of Mr Dankert to fill the vacancy left by the death of Mr Vondeling.

I would point out that, pursuant to the new Rule 7B of the Rules of Procedure, the term of office of the President, Vice-Presidents and Quaestors is fixed at two and a half years. Should a vacancy occur before the expiry of this term, the Member elected shall serve only for the unexpired period of his predecessor's term.

Since Mr Dankert is the sole candidate, I propose that he be elected by acclamation.

*(Applause)*

I congratulate Mr Dankert, and proclaim him a Vice-President of the European Parliament with the same order of precedence as his predecessor.

#### 20. Question Time

**President.** — The next item is Question Time (Doc. 1-566/79).

Today we shall take questions to the Commission.

Question No 1, by Mr Berkhouwer (H-226/79):

Is it possible that in 1980 the whole Community will be operating the same summer time, commencing on the same day in all Community Member States and likewise ending on the same day?

**Mr Davignon, Member of the Commission.** — *(F)* The Commission is happy to say that the same summer time will be in operation for a fairly long period in 1980 in all the Member States of the Community.

However, it will not be in operation in all the Member States for the same length of time. The Commission is making efforts to ensure that this situation is rectified in 1981.

**Mr Berkhouwer.** — *(NL)* Is Mr Davignon prepared to do everything in his power to bring about a situation in which summer time begins at the same time on the same day and also ends at the same time on the same day?

**Mr Davignon.** — (*F*) The Commission can assure the honourable Member that what we want is a uniform summer time, one that begins at the same time and ends at the same time. Compared with 1979, therefore, the situation in 1980 represents real progress. Furthermore, we hope that in 1981 summer time will be as the honourable Member and the Commission would like to see it.

**President.** Question No 2, by Mr Schmid (H-255/79):

Will the Commission state why, in its reply to Written Question No 356/79, it refuses to provide specific information concerning the number of staff which would be made available to carry out investigations into inadmissible agreements between multinational oil companies, and does the Commission not feel that its failure to do so undermines Parliament's right to put questions?

**Mr Vouel, Member of the Commission.** — (*F*) It is obviously not the intention of the Commission to be obstructive, in any way whatsoever, with regard to Parliament's rights to put questions to the Commission.

While it has been closely observing the development of the situation, the Commission has not assigned officials to work exclusively on investigations in the sectors concerned. It has not therefore been able to provide a figure in this respect. It is, however, able to inform the honourable Member that the Directorate-General for Competition has scarcely thirty officials to cover the whole area of controls and investigations into agreements, dominant positions and concentrations in the sectors governed by the three Treaties. If there should be clear signs to persuade the Commission that it should decide to initiate investigations in the sector under discussion, a major portion of this staff would be used for this purpose, and this at the expense of their other tasks.

**Mr Schmid.** — (*D*) I note with satisfaction the Commission's statement that it does not intend to be obstructive. But I should like to ask a supplementary question: Does Mr Vouel feel that this staff complement is sufficient for the tasks referred to?

**Mr Vouel.** — (*D*) The Member has on several occasions expressed the view that the staff complement is insufficient for the work involved. That is why the Commission put forward proposals last year. Unfortunately these proposals were not accepted by the Council as they stood.

**Mr Chambeiron.** — (*F*) Does the Commission not feel that the inadmissible agreements to which reference has just been made and other practices such as transfer prices between subsidiaries do nothing but increase the profits of the oil companies to the detriment of the consumers and the producing countries, especially as these profits have grown due to the use

of the dollar as reference currency, which, as we know, is showing a declining tendency, which is increasing the profits of the multinational oil companies?

**Mr Vouel.** — (*F*) The Commission does not at present have sufficient evidence to confirm that there are inadmissible agreements in this field. The question of transfer prices is now being studied, as I have already informed the Committee on Economic and Monetary Affairs.

**Mr Rogers.** — In view of the Commission's still continuing to refuse to give any specific answer on this, would it be right to assume that the Commission feels that the tax evasions and profits by multinational companies within Europe is not a matter important enough for them to consider?

**Mr Vouel.** — (*F*) I have said that we have not assigned officials to work exclusively in this area. I cannot therefore say how many officials are involved, unless the honourable Member expects me to calculate the time spent on this matter in fractions of hours!

**President.** — At its author's request, Question No 3 will be held over until the next part-session. Question No 4, by Mr Calvez:

Parliaments in each of the Member States have adopted extremely stringent regulations to improve safety and hygiene at the place of work and the International Labour Office has called for more action from governments, employers and workers. Would the Commission state what steps it intends to take to harmonize legislation and other regulations governing industrial accidents?

**Mr Vredeling, Vice-President of the Commission.** — (*NL*) On 29 June 1978 the Council took a positive decision on the programme of action for safety and health at the workplace. This will give rise to quite a number of directives aimed at protecting workers against dangerous substances, noise and vibrations, and so on. The Commission feels these directives should fit into a general framework. It has therefore submitted to the Council a proposal for a framework directive. We are now waiting for Parliament's opinion on this. With Parliament's cooperation, this framework directive can be adopted at the Council's next meeting.

But the Commission has not been idle. As part of the action programme and in connection with the framework directive I have mentioned it last week approved a proposal for a directive concerning lead. This proposal will be forwarded to Parliament shortly. We also hope to submit very soon a proposal for a directive on asbestos and cadmium. So progressively we are achieving a cohesive range of directives that will help to protect workers at their places of work.

**Mr Calvez.** — (*F*) Will the social partners and the Standing Committee on Employment be invited to make their suggestions on the texts of the directives while they are being drawn up and before this Parliament is called on to deliver an opinion?

**Mr Vredeling.** — (*NL*) The answer to that is in the affirmative. Before the text of a directive is decided, we always consult the relevant committee on the industrial health and safety aspects. During these consultations both workers and employers advisory are represented.

**President.** — At their authors' request, Questions Nos 5 and 6 will be held over until the next part-session

I call Miss Brookes on a point of order.

**Miss Brookes.** — Madam President, may I ask why Question No 6 has been put back to the January part-session? Albeit Lord Bethell is not here, I represent the area of North Wales which has a very, very large tourist industry, and in fact this particular question does apply to the tourist industry. Those people who operate holidays in that particular area are concerned about the...

**President.** — The Rules of Procedure are quite formal on this point. The question cannot be called in the absence of its author.

Question No 7, by Mr Moreland (H-221/79):

Does the Commission accept that cadmium can continue to be part of the process of manufacturing certain paints, and can the Commission give an assurance that there will be no Community ban on the use of cadmium?

**Mr Vredeling, Vice-President of the Commission.** — (*NL*) Directive No 77/728/EEC concerns the classification and labelling of paint, lacquer, glue and similar products. It stipulates that where such products contain more than one part per thousand of cadmium, they must bear a symbol indicating toxicity, while the label must state that the product is dangerous. In addition, the label must give the necessary warnings.

At the moment the Commission cannot give an assurance that it will not propose that the use of cadmium should be prohibited. The Commission is at present working on a directive on cadmium, as I have just said in reply to a previous question, within the framework of the resolution adopted by the Council on safety and health at the workplace. The Commission hopes to submit this directive to the Council and Parliament early next year.

**Mr Moreland.** — May I urge the Commissioner to come to some decision on this matter fairly quickly? As he may be aware, there are a large number of retail organizations that are now refusing to take products with cadmium in them, and the government of

Sweden has issued a ban on all products which include cadmium; yet the evidence does not so far appear to justify the situation. In view of the chaos that is being caused to the paint industry, the ceramics industry and the plastics industry, may I ask the Commissioner to regard this as a matter of urgency? After all, if any of us were to go down town and have a meal in a restaurant, he would be eating off a plate which probably had cadmium on it in some form and he might be endangering himself as a result. Would the Commissioner therefore act with haste?

**Mr Vredeling.** — (*NL*) The honourable Member is showing signs of impatience. I feel I can best answer his question by repeating what I said at the end of my previous answer, that the Commission intends to submit this proposal for a directive early next year. The honourable Member will surely agree with me that it is almost early next year now.

**Mrs Buchan.** — Would the Commission not also agree that the interests of the paint industry must not take precedence over the safety of consumers, who are getting more and more worried about the problem raised by cadmium disposal and waste disposal, particularly in very sensitive parts of the UK?

**Mr Vredeling.** — The answer is entirely in the affirmative.

**Mr Sherlock.** — When approaching this subject of cadmium, will the Commissioner see whether, at a time when it may come to be considered — which will, I hope, be after cadmium in the workplace has been considered — many of the ill-advised, nay, even hysterical points of view that are frequently expressed on what I would call sub-homeopathic doses of some of these substances could be reconciled with the commonsense, scientific view when any remark is made on the subject?

**Mr Vredeling.** — (*NL*) In this kind of matter it is our custom to consult the most renowned experts, both from the industry concerned and from among the consumers, and apart from that, the Commission also has some common sense.

**President.** — Since its author is absent, Question No 8 will receive a written answer.<sup>1</sup>

Question No 9, by Mr Deleau (H-212/79):

In order to deal with the difficulties faced by small and medium-sized undertakings, which have an essential contribution to make to the economy and employment in the nine Member States, does the Commission envisage creating an Institute for small and medium-sized undertakings?

<sup>1</sup> See Annex.

**Mr Davignon, Member of the Commission.** — (F) The Commission has not suggested the creation of a European Institute for small and medium-sized undertakings, because it considers it essential that its cooperation with the national administrations and national institutes with respect to small and medium-sized undertakings allow the development of a concerted policy. On the other hand, the Commission did provide in its 1980 budget for the entry of 200 000 units of account to help the development of consultations and training, particularly for small and medium-sized undertakings, and the Commission did take the opportunity during the budget debate to say that it welcomed an amendment approved by Parliament to this budget and concerning assistance to small and medium-sized undertakings.

**Mr Deleau.** — (F) I regret that the Commission has not suggested the creation of this Institute. I am well aware that an institute of this kind would not have solved all the problems connected with these types of undertaking, but it would nevertheless have made it possible for the recommendation to be made to the Member States that they ease certain administrative formalities and look a little more closely at the legislation applicable to them. 200 000 units of account in the budget does not seem enough to help them.

**Mr Davignon.** — (F) The amount of 200 000 units of account, which was intended for a specific operation, should not be confused with our overriding concern — and this is the Commission's option — to consider the problem of small and medium-sized undertakings in all the matters with which the Commission deals. With regard to the distribution of information on legislation we have therefore made specific studies and suggestions. The data-processing programme we are setting up also includes a section on small and medium-sized undertakings. Furthermore, the Regional Fund and the non-quota section contain a chapter devoted specifically to small and medium-sized undertakings. What we want is to have a chapter on small and medium-sized undertakings in all Community policies and not to isolate this question from the other policies.

**Mrs Ewing.** — While thanking the Commission for their statement that they do have a concerted policy for the particular problems of such businesses, may I take it that they are aware of the great importance of such businesses in all remote areas in the Community, notably peripheries and islands, and could I ask whether it is part of this concerted policy to bring off the shelf the excellent report of my former colleague in this House, John Corrie, on the question of giving practical aid to such small undertakings, the road-equivalent tariff policy, as sometimes whole islands' viability and depopulation will depend on the implementation of such a policy?

**Mr Davignon.** — (F) The Commission has promised Parliament, in the context of the resolution Parliament adopted last year following a report presented by Mr Notenboom, that it would take an overall view of the various aspects arising and concerning in particular small and medium-sized undertakings. The Commission will be presenting a document of this nature very early next year. The specific question which has just been raised is also covered by that document. We are aware that the network of small and medium-sized undertakings is essential, especially in regions which as a result either of their geographical position or of the economic situation are facing particular difficulties.

**President.** — At its author's request, Question No 10 will be held over until the next part-session.

Since its author is absent, Question No 11 will receive a written answer.<sup>1</sup>

At its author's request, Question No 12 will be held over until the next part-session.

Question No 13, by Mr Paisley (H-195/79):

What steps is the Commission prepared to take to safeguard the production of pure apple juice at the Killyman factory in Co Armagh, Northern Ireland (a factory built by an EEC-grant) which has been put in jeopardy by the regulation permitting citric acid to be added to sweet apple juice?

**Mr Davignon, Member of the Commission.** — (F) I wish to draw the honourable Member's attention to the following points.

In the Commission's original proposal provision was not made for a derogation in respect of citric acid. By a unanimous decision of the Council provision was made for this derogation, but — and I must stress this — it is a possible, not a compulsory derogation.

With a view to adjusting these directives, the Commission intends to resubmit its original proposal to the Council with the object of not retaining the derogation which would allow the use of citric acid as an additive to apple juice.

**Mr Paisley.** — May I put to the Commissioner the fact that the Killyman factory, which was built by a large grant from the EEC, is now out of production altogether, that the apple-growers in County Armagh are in desperate straits and some of them will have to go out of business altogether, and could I urge him to take measures to see that the regulation only comes into play when pure apple-juice stocks are exhausted in the Community?

**Mr Davignon.** — (F) I can but reiterate my previous answer.

<sup>1</sup> See Annex.

**Davignon**

The possibility of taking advantage of the derogation is solely, by virtue of the Council's decision, in the hands of the national authorities, not of the Commission.

Our intention is to reexamine this question with the Council with the aim of eliminating this possibility as soon as possible. We are aware of the difficulties that exist in the region to which Mr Paisley has referred, although — as he also knows — the problems do not stem entirely from this question of citric acid.

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

Question No 15, by Sir John Stewart-Clark (H-207/79):

In the light of the appropriation of \$ 200 million allocated by the US Department of Defence directly to industry for the design and development of Very High Speed Integrated Circuits (VHSIC), is the Commission satisfied that the Community and the defence and industry ministries of the Member States are taking the necessary steps to ensure that the Community will be in a position to supply from its own source VHSIC for civilian and military purposes?

**Mr Davignon, Member of the Commission.** — (F) I should like to assure the honourable Member that we are particularly sensitive to the fact that certain countries, the United States and Japan for example, pursue national policies which enable them to develop certain essential sectors of the data-processing industry and in this case the electronics and microelectronics industries more rapidly than is possible in the Community.

In September we were informed that the Council is aware of this problem. The Commission was asked to develop a policy, and consequently submitted to the European Council a proposal for an overall strategy for the data-processing industries, and the document was forwarded to Parliament. I hope that we shall be able to discuss means of developing this sector, which is essential to the growth and independence of Europe.

**Sir John Stewart-Clark.** — I should like to welcome the Commissioner's suggestion that there should be a full-scale debate on this subject in Parliament, and I shall certainly take steps through my group to see that it is initiated as soon as possible. I was going to ask the Commissioner how the Commission intends to implement the programme which has to be submitted to Parliament, but no doubt we shall be able to deal with that within the debate.

I should like to ask the Commissioner whether in fact he realizes the importance, not only of allocating monies for this vitally important programme, but also of getting combined markets. The markets for these products are just as important as the amounts of

money which are allocated to them. How many Commission officials are retained to manage the Community's microelectronics programme, and will the appropriate defence-equipment suppliers contribute to a complementary development programme? In particular, will the governments of Member States accept the Community's leadership in the microelectronics sector, where the overall US investment is in excess of one billion per year? Unless Community leadership is accepted in the microelectronics sector, it is doubtful whether Community firms will ever achieve parity with US firms.

**Mr Davignon.** — (F) I will try to answer these four supplementary questions.

Firstly, the honourable Member will see from our document that we give priority to the development of this major market, which is essential to the industry.

Secondly, we do not feel that the basic problem is a financial one. It is more a question of regulating matters, a market question and a question of cooperating with industries as with countries.

Thirdly, it is our intention — and this is pointed out in the document — to develop a concerted policy with the Member States, because some national policies are extensive, particularly in the microelectronics field, and can have a multiplier effect where they have been established within the context of this large market and of public orders.

Finally, Parliament knows what importance the Commission attaches to seeing account taken of public orders relating to security, and this will enable us to meet the challenge.

**Mr Galland.** — (F) Does the Commissioner not feel that data communication constitutes one of the more important aspects of the development and convergence of industrial policies, and can he take steps to ensure that industrial convergence will assume a practical and definite form in the near future?

**Mr Davignon.** — (F) The object of the Commission's document is none other than that suggested by the honourable Member. Its success will depend on Parliament's support and the reception it receives in the Council, in view of the European Council's request that it form the subject of a discussion within the Council of Foreign Ministers.

IN THE CHAIR : MRS DEMARCH

*Vice-President*

**President.** — Question No 16, by Mr Almirante (H-332/79) (formerly 0-99/79):

Southern Italy, particularly the Apulian provinces of Foggia and Bari, is undergoing a serious table grape market crisis.

## President

This crisis is not the result of overproduction (production is estimated to be 3.5 % higher than the 7 million hundredweight produced in 1978), but rather of difficulties at market level and the lack of an effective planning policy in the wine sector from the production to the consumer stage, including planning in undertakings and/or between undertakings.

Can current Community regulations governing this product and the wine sector in general be amended to avoid penalization of this important product of southern Italy and, in particular, can the EEC determine accurately and realistically the production costs of this product and fix the intervention prices accordingly?

Can the guaranteed minimum purchase price for wine produced from table grapes (EEC Regulation Nos 337/79 and 1784/79) be increased to at least 80 % of the guide price as a matter of urgency and aid for compulsory distillation (EEC Regulation Nos 343/79 and 1784/79) also be increased to make distilling actually possible, since the present aid is inadequate and encourages the production of raw materials for additives?

Can refunds for exports to non-member countries be increased?

**Mr Natali, Vice-President of the Commission — (I)** As regards the marketing of fresh table grapes, the guide price for the different varieties stayed in the neighbourhood of the basic price during the 1979 season. The present situation does not, therefore, constitute a serious crisis. Moreover, the Commission has recently adjusted the level of export refunds.

In 1976, the common organization of the market in wine was exhaustively reviewed and improved. Additional intervention machinery was introduced in order to ensure an effective and early return to market stability.

**Mr Almirante — (I)** I am sorry but I find the Commission's reply wholly unsatisfactory. I do not want to embarrass the Commissioner, who is a fellow-countryman of mine, but how can he say that 'the situation does not constitute a serious crisis'? I gave detailed figures and I should have liked the Commission to show greater conviction, not to say concern. In any case, no answer has been given to the second question, namely, whether refunds for exports to non-member countries can be increased. I must emphasize and will, if necessary, submit documentary evidence to demonstrate the seriousness of the crisis in Italy, not only, as I have said, in the Apulian markets of Foggia and Bari but also in the Sicilian market. A few days ago, the winegrowers met in Canicattì, in Sicily, to discuss the situation but they are neither anxious nor able to alter the facts, which constitute an emergency and cry out for action. It is significant that the Commission should nonsuit an appeal just when it appears all too likely that the Council is intending to reject the proposals which, in the context of the

budget, we have put forward for use of the Regional Fund and of the Development Fund in order to help Southern Italy which, unfortunately, is the most depressed area in the whole of the common market.

**Mr Natali. — (I)** I repeat that table grape prices have been almost at the same level as the basic price. There is, accordingly, no provision for intervention under current Community regulations.

With regard to Mr Almirante's question on export refunds, I repeat that export refunds have recently been adjusted; they were in fact increased from 4.84 EUA to 7 EUA per 100 kilograms net for grapes grown in the open.

**Mr Maffre-Baugé. — (F)** I rise to speak, Madam President, not only in my capacity as a parliamentarian but also as vice-chairman of the association of French table grape producers.

The table grape problem is a serious one, and it is not only Italy that faces it. We must have frank discussions with the Italians by putting this basic question, which cannot be settled here quickly and easily, before the Committee on Agriculture. I would therefore ask the Commission if it is prepared to open a general debate on the production of table grapes in which the various aspects to which Mr Almirante and the other speakers have just referred are thoroughly discussed within the framework of a serious study, providing appropriate answers for this sector of production, which is important both for Italy and for the region from which I come.

**Mr Natali. — (I)** The honourable Member has pointed out that the problem not only affects table grapes but the whole of the wine sector. The Commission has only recently submitted a series of proposals for that sector, and it will certainly take part in the discussion when the subject comes before the Committee on Agriculture.

**President. —** Since its author is absent, Question No 17 will receive a written answer.<sup>1</sup>

Question No 18, by Mr Purvis (H-236/79):

Would the Commission welcome the setting up of a joint working party of representatives of the Energy Council, the Commission and the Energy Committee of the European Parliament in order to develop a concerted strategy in the field of energy and to delineate the political, economic, social and financial implications thereof?

**Mr Jenkins, President of the Commission. —** The Commission does not consider that further institutional links, which are already adequate, are the key to the necessary and overdue objective of a more effective energy policy.

<sup>1</sup> See Annex.

**Mr Purvis.** — May I say to the President of the Commission that many of my colleagues in this House, who have been involved over the last month or two in trying to get an energy strategy properly developed and moving and to play their part in establishing the political will that is needed to face up to the problems, will be disappointed at this lack of willingness to cooperate with us in trying to find together a genuine solution to the problem. I know the procedures should be adequate, but they do not seem to be working. Bearing in mind the Council's tentative willingness to consider some suitable formula, as enunciated in their reply to Mr Turner's supplementary question to my oral question No 75 on 14 November, could the Commissioner not come up with some more substantive proposals as to a suitable formula for such a positive colloquy?

**Mr Jenkins.** — Well, I should need more persuading that the answer to this question is to set up new machinery. I think I can be persuaded otherwise that the machinery is adequate. It is a mistake, as I am sure the honourable Member will agree, to believe that you always solve the problem of substance by dealing with the institutional framework within which you approach it. We are in great need of a more effective energy policy. I will consider any methods, but I do not believe that the fact that we have not got one is because there has not been adequate consultation between Parliament and Commission, Commission and Council, even Council and Parliament. We have not got it because so far there has been a lack of adequate political will. I do not exclude anything, but I think that merely by setting up additional machinery we may be dodging rather than advancing the real question.

**Mr Turner.** — May I say that we are not proposing machinery, we are avoiding machinery; but what we do say is: cannot we get the people of the institutions together, let them report separately and let there be no new machinery at all, but let them at least discuss jointly and then go away and report separately. I quite agree with your view that we do not want too much institutional machinery, but there would be no objection to that, surely?

**Mr Jenkins.** — I think we have already had in the days of the previous Parliament, and to some extent in the days of this, tripartite machinery. For instance, Mr Giraud, as President-in-Office of the Council, appeared before the Committee on Energy and Research in March 1977, and Mr Williams as Director-General took part in the discussion with the Commission. I in no way exclude these tripartite discussions; I am willing to explore any method which can enable us to advance in this field; but the question did actually propose the setting up of a specific new working-

party, and I stick to my view that it is political will rather than machinery which is the key to this question.

**Mr Paisley.** — As the President of the Commission has admitted that this Community needs an aggressive and genuine energy policy, is he aware that many members of the Energy Committee feel frustrated when they attend that committee, because there does not seem to be an opportunity to get to grips with the real problems in conjunction with the Commission and the Council of Ministers. In fact, we have been told that the only way we can approach the Council of Ministers as a Council is by letter, and this, of course, is totally unacceptable to many Members of the Energy Committee. Surely there should be a development by which the Energy Committee could get in touch with the Council as a Council and with the Commission as a Commission, in order to forward this very important work of the Energy Committee and make progress on the EEC's energy strategy.

**Mr Jenkins.** — While it is for the Council to defend itself, I am not sure if that is quite fair to the Council. However, it is certainly not fair to the Commission to say that this is the only means of contact. For instance, there have been three meetings. On 11 September of this year Commissioner Brunner made a statement to the committee on the state of the common energy and research policy, which was followed by a discussion. On 4 October the Director-General spoke to the Energy Committee about the results of the Energy Council in September. The third discussion was on 20 November, on the occasion of the submission of a draft report by Mr Fuchs covering the draft resolution on the energy targets for 1990. As far as the Commission is concerned, therefore, it is not true, as I am sure the members of the Energy Committee know, that the only contacts with the Commission are by letter.

**Mr Seligman.** — Does the President of the Commission regard it as satisfactory that all contact on this area between the Council and Parliament takes the form of one man talking to our committee. What we want is an equal two-way discussion, or even a three-way discussion involving representatives of all three institutions, not just one man coming and talking to the committee.

**Mr Jenkins.** — The honourable Member referred specifically to the Council, and the Council must, of course, answer for itself, as indicated in reply to the previous question. However, I was possibly a little unfair to the Council in not mentioning that Mr O'Malley, its current President-in-Office, is due to meet the Energy Committee on the 17th of this month, and the Commission will be present on that occasion for a discussion.

**Jenkins**

However, if there is a general view in the House that we should reconsider the question of whether tripartite meetings on a wider basis can be effected, I can assure you that the Commission will not stand in the way. The Commission is willing to accept any machinery which it believes can advance the central objective, which is urgently necessary and overdue, of a more effective Community energy policy.

*(Applause)*

**President.** — Since its author is absent, Question No 19 will receive a written answer.<sup>1</sup>

I call Mr Paisley on a point of order.

**Mr Paisley.** — May I draw the attention of the House to the fact that, when I was not present at a sitting of this Parliament at which my question was called — although I had already made arrangements with the Chair for it not to be called — a debate was permitted in which I was attacked for my non-attendance by the honourable gentlemen who is not attending today. I trust that that will be brought to the notice of the House, and to the notice of that honourable gentlemen. I also trust that the Chair will be absolutely fair in future and will rule that when a question is not called, it is not called, and no discussion will be permitted upon it.

*(Applause from certain quarters)*

**President.** — I note your statement, Mr Paisley.

I call Mr J. D. Taylor on a point of order.

**Mr John D. Taylor.** — Madam President, would you give a ruling on the matter of Members who are absent when their questions are called? If they specifically request that no one else can ask the same question, is the position that that question cannot then be taken, and if they do not make that specific request, can someone else ask the question in their absence?

**President.** — The Rules of Procedure stipulate :

A question may be answered only if the questioner is present or has notified the President in writing, before Question Time begins, of the name of his substitute.

This was not done in respect of the questions concerned.

Question No 20, by Mr Provan (H-261/79) :

Are the Commission satisfied that the French Government are now abiding by the ruling of the European Court of Justice of 25 September 1979?

**Mr Giolitti, Member of the Commission.** — *(I)* The Commission's information is that the French Government has not yet complied with the judgment of the Court of Justice of 25 September 1979 and that restrictions continue to be imposed on mutton and lamb

imported from the United Kingdom. In consequence, on 22 November the Commission sent a reasoned opinion to the French Government within the meaning of Article 169 of the Treaty and asked it to take the necessary steps to comply with the judgment of the Court by 12 December 1979.

There is, of course, no connection between the obligation to act in accordance with a clear ruling of the Court of Justice and the establishment of a common market in mutton and lamb. Nevertheless, the Commission will continue its efforts to resolve this issue at Council level. The Commission has taken note of the conclusions reached by the European Council on this point in Dublin.

**Mr Provan.** — This has been going on for a considerable period of time now, as I am sure the House realizes. But does the Commission realize that 200 tonnes per week were permitted entry to the French market on average during 1978 under licence, and that it is now the controlled price which is causing greater restrictions and hardship than previously? Does the Commission need greater powers to make Member countries comply with the Treaty of Rome? Will it take other retaliatory action? If not, would it recommend to others that retaliatory action be taken?

**Mr Giolitti.** — *(I)* As I stated in my previous answer, the Commission has, in accordance with its powers and obligations, done everything described in my statement. Obviously, the Commission is not contemplating any disciplinary measure. Commensurate with the exercise of its functions, the Commission has a duty to ensure that the Treaties are observed and, as expressly provided in the Treaties, to draw the attention of a Member State to any breach it may have committed.

**Mr Chambeiron.** — *(F)* Without wishing to resort to polemics, I should like to ask the Commissioner, since he has said he has confined himself to ensuring the Treaties are respected, whether he considers that the Government of the United Kingdom, which forms part of the Community, is respecting the Community rules in this question.

**Mr Giolitti.** — *(I)* As I have already told the House, we are faced with a judgment of the Court of Justice and it is on the subject of that judgment that the Commission has sent a reasoned opinion to the French Government. We have acted and shall continue to act under Article 169 of the Treaty.

That is the legal position and it was in relation to that and only to that — that the Commission took the action described.

<sup>1</sup> See Annex.

**Sir Fred Warner.** — Would the Commission not agree that no proper reply was given to Mr Provan? What Mr Provan asked was: what action does the Commission now propose? The reply given to that was that the Commission have expressed an opinion and that is that. There is no further action they can take. You were asked, if I may say so, to express an opinion on what your powers were in this matter. Are they simply limited to the expression of an opinion, or have you not some measures in mind which you can take to assist in the enforcement of judgments of the Court?

*(Applause from certain quarters on the right)*

**Mr Giolitti.** — *(I)* Now that we have, as I said, sent a reasoned opinion to the French Government within the meaning of Article 169 of the Treaty, we must wait until 12 December 1979 to know whether the French Government is taking the necessary measures to comply with the judgment of the Court. I have already said that the Commission does not intend to leave the matter there, nor has it done so. The Commission has undertaken to try and find what we might call an organic solution of the problem on the basis of the common organization of the market in mutton and lamb.

There is obviously no legal connection between the two aspects of the question but they both come within the ambit of the questions now being discussed.

**President.** — I call Mr Provan on a point of order.

**Mr Provan.** — I still feel that the Commissioner hasn't answered the question. The point of order is: Is it in order for a Commissioner to evade the question when the question was in fact: Do they have adequate powers?

**President.** — I call Mr Galland on a point of order.

**Mr Galland.** — *(F)* Madam President, I regret to say that I do not consider that Mr Provan has spoken on a point of order. He has used this means to put another question. That in no way complies with the Rules of Procedure.

**President.** — You are quite right, Mr Galland.

**Mr Delatte.** — *(F)* Madam President, I should just like to say that the Commissioner has also failed to answer the question put by Mr Chambeiron. He asked him if in his view Britain was respecting the Treaty. He did not answer this question. All he said was that the Commission was implementing the decisions of the Court of Justice. I should therefore like to ask, once again, if the Court of Justice, in taking its decision, considered Article 43, according to which, where a decision is taken against a country with regard to a

given sector of production, it must be established whether problems do not arise for the incomes of the people concerned and for employment in the region concerned.

**Mr Giolitti.** — *(I)* It is obviously not the task of the Commission to give its opinion on a judgment delivered by the Court of Justice. Its duty is to ensure, in accordance with the prescribed procedure, that the judgments of the Court of Justice are complied with. As regards the other subjects — those relating to revenue-earning capacity in certain agricultural sectors — which were mentioned by the questioner, the Commission intends to deal with them in terms of the common market organization in mutton and lamb, and this is what is now being done.

**President.** — At its author's request, Question No 21 will receive a written answer.<sup>1</sup>

At the request of the Group of the European People's Party, Question No 22 will be held over until the next part-session.

Question No 23, by Mr Radoux, for whom Mr Seeler is deputizing. (H-273/79):

Representatives of the Commission of the European Communities visited Moscow from 25 to 28 November.

Will the Commission inform Parliament of the outcome of these discussions which concerned the conclusion of an agreement between Comecon and the EEC?

**Mr Haferkamp, Vice-President of the Commission.** — *(D)* The negotiations that took place in Moscow from 26 to 28 November were conducted in a frank working atmosphere, as the joint statement released states. At the beginning of the negotiations the Community delegation submitted a new draft agreement, which is based, for example, on the proposals that have been made in the past and on the discussions and negotiations that have taken place over the last eighteen months. The representatives of Comecon asked to be allowed to examine this proposal in depth. The Community delegation agreed to this and suggested that another meeting at the same level be held in Brussels by April of next year. In order not to waste time, we also proposed that in February or March of next year groups of experts from both sides should meet to make a start on the drafting of those parts of the text on which agreement or approximate agreement has so far been reached. This proposal was also accepted. We have therefore established a timetable and decided what is to be discussed at future negotiations. On the Community side we have done this in a more pragmatic form than had been planned for the negotiations as a whole. We feel that in so doing, we have improved the prospects of definite progress being made towards an agreement between the Community and Comecon.

**Mr Seeler.** — (D) Mr Commissioner, in your answer you referred to the communiqué on your talks, which states that the negotiations took place in a frank atmosphere. This phrase is normally used in communiqués when agreement has not been reached on the essential points at issue. I would therefore ask you, Mr Haferkamp, whether the further negotiations next year will be concluded or at least reach so advanced a stage that more practical results are likely to be achieved before the next Conference on Security and Cooperation in Europe takes place in Madrid. This is, after all, not an insignificant question with regard to Basket 2.

**Mr Haferkamp.** — (D) I should first like to point out that it takes at least two to conclude negotiations, not just one. We would be pleased if such a conclusion were possible at an early date. Our proposals, and our negotiations in Moscow, have been aimed at making this possible. That is also why we made the proposals I have just described to you for further meetings in February or March of next year, with a drafting brief. The fact that these proposals have been accepted shows that the other side is similarly interested in keeping things moving. How the negotiations on the principal questions will develop cannot yet be said, but I repeat that we have an interest in rapid progress in those negotiations.

**Mr Welsh.** — Would the Commissioner kindly indicate to us on which specific points at issue he will be seeking to reach positive agreements with Comecon? Furthermore, will he agree that in view of the obvious reluctance of the Comecon countries as a group to conclude any sort of agreement whatever with the Commission and the EEC, the time has come to consider approaching the individual Member States of Comecon for bilateral pacts directly with the Community, and would we not get on a great deal faster that way?

**Mr Haferkamp.** — (D) As early as 1974 the Commission submitted to all the State-trading countries, including the member countries of Comecon, proposals aimed at the conclusion of trade agreements between them and the Community. The negotiations on which I have just reported in reply to the question concern the Community and Comecon as an organization. The Commission has emphasized on several occasions that the offers made to the Comecon and other countries in 1974 continue to stand.

**President.** — Question No 24, by Mrs Ewing (H-274/79):

Will the Commission recommend the appointment of a European Ombudsman to protect the citizen against possible injustice arising from the activities of Governments and bureaucracies thus providing two advantages:

1. the practical machinery to investigate genuine cases of injustice, and

2. the psychological reassurance of the citizen regarding his rights in the face of the apparatus of the Community's bureaucracy?

**Mr Jenkins, President of the Commission.** — The Commission welcomes the idea of a Community ombudsman and gave its support on 11 May to the recommendation of the Legal Affairs Committee, subsequently adopted by the Parliament, for the appointment of an ombudsman by the Parliament.

**Mrs Ewing.** — May I ask if it is yet decided, or if there is yet a policy, as to whether the approach to the ombudsman would be along the lines of some of the Member States — that is, directly by an individual — or whether it is envisaged that the approach would be as it is in the United Kingdom, where it is necessary to go through a Member of Parliament, and could I implore him to consider that the first of these alternatives is the more attractive one, as shown by experience?

**Mr Jenkins.** — It is for the Parliament to appoint the ombudsman, and therefore for the Parliament to delegate certain powers to him, and not for the Commission. The Commission, as I said, has given its support to this idea. Four or five years ago, it was a little reticent, but it has moved rapidly and enthusiastically in accordance with the development of parliamentary opinion. It must be clearly understood that this would be a parliamentary ombudsman appointed by the Parliament; therefore it is not for me to say exactly what form it should follow. There is another possible route by which an ombudsman could have been differently appointed, but that would have required an amendment to the Treaties; therefore the Legal Affairs Committee of the previous Parliament, endorsed I think by this Parliament, came out firmly in favour of this route, of an appointment by Parliament, and it is therefore for the Parliament to make the appointment, which will be welcomed by us.

**M. John D. Taylor.** — Arising from the reply by the President, does that mean that the sole responsibility for the delay in appointing an ombudsman rests entirely with the Parliament? Secondly, if such a parliamentary ombudsman were appointed, would he have no responsibility whatsoever for individual measures affecting individuals taken by the Commission?

**Mr Jenkins.** — As to the delay, let us look back at the history of this matter with full objectivity and fairness, as I would always wish to. This matter was first raised in 1974 by Lord O'Hagan, on behalf of the European Conservative Group, and there was a good deal of hesitancy on the part, indeed, of the Commission. It was referred to by the honourable Member, Mrs Ewing, in January 1977, at the beginning of this Commission's term of office, when we replied substantially more sympathetically. The matter then went to

## Jenkins

the Legal Affairs Committee, which came forward with a positive recommendation, encouraged by the Commission. That has been the history. Any delay which now occurs is, I think, a matter for the Parliament, and is certainly not a question of the Commission.

There were two possible types of ombudsman: an ombudsman with full powers of investigation into all the work of the Community Institutions, which would involve a new institution and therefore an amendment to the Treaty, and would inevitably entail some delay, or an ombudsman with more limited powers delegated by the European Parliament. He could, however, examine complaints from Community citizens and advise on the means of redress available. I think there would be no problems about this, and certainly he would have certain rights to investigate things which we did as well as other matters.

**President.** — Question No 25, by Mr Sherlock (H-279/79):

Does the Commission intend to make any proposals based on the report 'The Medico-Social risks of alcohol consumption' prepared by a working party for the Directorate-General for Employment and Social Affairs, in view of recent press reports of a plan to ration alcohol purchases in the Community?

**Mr Vredeling, Vice-President of the Commission.** — (NL) I must deny that the Commission has the wicked plans to which the honourable Member alludes here. He has based his question on a completely unfounded press report.

The question then is whether we intend to make any proposals in this area. No, we do not intend to do so immediately. The matter has been discussed by the Council of Health Ministers, and was perhaps to have been discussed by the Public Health Ministers meeting in informal Council, as it is known, in Dublin this week, but I regret to have to tell Parliament that, according to a report that has reached me this afternoon, this meeting will not now be held due to a change in ministers. Mr Haughey has only this week been called on to occupy a more responsible post.

**Mr Sherlock.** — I don't know about the wicked press; I read it in this pink publication — pink perhaps appropriately — which was commissioned by the Commission — at what price, goodness knows, because part of my point in asking my question is that, apart from throwing a scare into the general public which is possibly as big as the scare it would throw into the Commission itself, this publication has been produced obviously regardless of cost: I am sure it has been a most expensive exercise. I wish to point out that the same information could have been culled by a clerk from almost any collection of publications in the medical press or even from that most eminent

publication, the *Reader's Digest*. My question: how much did this pink paper cost?

**Mr Vredeling.** — (NL) I fully accept the honourable Member's qualification of this publication, but I think he will find the price on the back cover of the copy he has in his hand. If not, the Commission will provide him with the information he requires.

**President.** — I call Mr Sherlock on a point of order.

**Mr Sherlock.** — Are the Commissioners going to continue for the rest of the small time available not giving the answers? The Commissioner knows perfectly well that I want to know how much this cost to produce, not how much it costs to the unsuspecting public.

**President.** — I think a serious question is entitled to a serious answer.

**Mr Vredeling.** — (NL) My apologies, but I thought you were asking about the price per copy of this publication.

It will be difficult to calculate the cost of any one publication, because we have so many of these publications. I will try to find out if it is possible to calculate the cost of a particular publication, but I fear it will be very difficult.

**President.** — Question No 26, by Lady Elles (H-279/79):

What action has the Commission taken in response to the request from Member States' governments for an annual report 'on the current situation concerning the location of Community bodies and departments' (Article 10, Decision of the Representatives of the Governments of the Member States 8 April 1965; Official Journal, No 152, 13 July 1967)?

**Mr Jenkins, President of the Commission.** — The Commission produces each year a report concerning the location of Community departments in Brussels and Luxembourg, as provided for in Article 10 of the Decision of the representatives of the governments of Member States, of 8 April 1965. The report for 1979 describing the situation at the end of the third quarter will be produced very shortly.

**Lady Elles.** — Since that report is to take into account the proper functioning of the Institutions and since the question of provisional places of work of the Institutions is left open by Article 12 of the same Decision, may I put four short questions to the Commissioner? First, would he publish this report for the benefit of Members of the European Parliament, since it must also cover the current situation of the European Parliament? Secondly, does the report always include — and if not, would it please include in the future — an analysis of the financial implications of the present arrangements for the European

**Lady Elles**

Parliament? Thirdly, taking into account the staffing difficulties and travelling hazards for Members of the European Parliament under the current situation, can the Commission, when commenting, condone the intolerable conditions of a peripatetic Parliament and its peripatetic staff? Finally, would the President of the Commission, in view of the importance of this report and its urgency for the good working of this Parliament, consult the Members of the European Parliament before submitting this report to the governments concerned?

**Mr Jenkins.** — In answer to the four questions, I would say the following. First, as to whether we would publish the report: the reports are fully available at the moment; they have not traditionally been sent to the Parliament as such, though I would happily make arrangements to forward these reports to Parliament on a regular basis if Members so wish. Secondly, as to whether there is an analysis of the financial implications: No, that has not been the practice. Third, as to the staffing difficulties of the peripatetic Parliament: the reports, as I think the honourable Member will appreciate, are specifically related to the location of Community departments that share between Brussels and Luxembourg. They were requested by member governments — I think possibly as a protection for one particular member government — as long ago as 14 years, and they are not required in their present form to deal with the position in relation to Strasbourg, only in relation to the share between Brussels and Luxembourg. Fourthly, as to whether I will consult the Parliament about the form of the report: let us send the report to the Parliament and look at it when it is published this year: if the Parliament wishes, through the appropriate committee or any other means, to make suggestions for the form which the report might take in 1980, though at present it is a report to member governments, we shall happily consider such representations.

**President.** — I would remind honourable Members that they are allowed only one supplementary question.

**Mr Price.** — The President of the Commission indicated that he would send the report to Parliament if it was the wish of Parliament. In view of the very considerable importance of this issue to this Parliament, would he accept that that would be the wish of Parliament, or does he require that to be expressed to him further in any particular form?

Secondly, in view of the obvious effects upon the Commission itself of the peripatetic existence of this Parliament, will he ensure that in future reports, the effects on the Commission staff, and indeed on the Parliament's own staff, of this peripatetic existence are included in the annual report until such time — and one hopes it will be a very short time — as the Parliament's present problem is resolved satisfactorily?

**Mr Jenkins.** — I have said that reports are available, but I see no difficulty about making arrangements to forward these reports to Parliament on a regular basis. It is perhaps not easy to judge how widespread the desire for this is, but I doubt if there are many honourable Members who would say no, and therefore I am perfectly happy to do that.

The report of course has not traditionally concerned itself with the second point the honourable Member has in mind. It is essentially concerned with the division between Brussels and Luxembourg, and has been a factual report about the deployment of staff. I will look into whether we can usefully do something more in the new circumstances, although I think I would be misleading the honourable Member and the House were I to suggest that this report would be the root of the solution to the problem of the location of Parliament.

**Mr Tyrrell.** — Does the Commissioner agree that, since this article of the decision of 1965 falls under Article 37 of the Merger Treaty on the setting up of a single Commission and a single Council, it has no application to the Parliament, but is merely declaratory of the existing position as already established in 1965, and that is why the reports of the Commission have traditionally only dealt with the position as between Brussels and Luxembourg, and not with the position as regards Strasbourg?

**Mr Jenkins.** — If I may say so, the honourable Member has explained a great deal more lucidly than I did exactly the reason why I indicated in my concluding remarks in response to his honourable friend that I did not think that this report would provide as broad a route forward as some honourable Members might have hoped.

**President.** — Question No 27, By Mr Bersani (H-281/79):

Does not the Commission think that the northern regions of the Sahel, which belong to five signatory States of the Lomé Convention and are still particularly hard hit by drought, should be assisted by special measures based on the experiments conducted to date, and does it not consider that in this connection a special 'regional' programme of dams and water reservoirs would be desirable?

**Mr Natali, Vice-President of the Commission.** — (I) The Commission attaches great importance to the application of specific measures to the crucial problem mentioned by the honourable Member; some of our administrative section are particularly suitable for this work. The aid granted by the Community to the States of the Sahel is intended for the development of cereals cultivation and of irrigation, primarily on the basis of national programmes. At

**Natali**

regional level, the Community takes advantage of action by the Inter-Governmental Committee on measures to combat drought in the Sahel and by the Club of the Sahel to promote coordination of action by the States concerned and of aid from international sources. Some funds allocated for the purposes of regional projects by the Fourth EDF made it possible to study the extent to which the large number and variety of projects were consistent with completion of the major hydraulic works. According to the outcome of these studies, it is proposed to allocate funds for the carrying out of these vital operations within the framework of the new Lomé Convention and on application from the Member States of the Inter-Governmental Committee. Because of the high cost of the operations which may be involved, the Commission will take steps to ensure that arrangements can be made for them to be jointly financed.

**Mr Bersani.** — (I) Does not the Commission consider that it would be desirable to arrange, as soon as possible an *ad hoc* meeting to advise on the guideline programmes being drawn up under the new Lomé Convention, as was done in connection with the alternative energy programme in the regions concerned?

**Mr Natali.** — (I) The Commission agrees that action of this kind would be of the greatest value and is prepared to adopt the honourable Member's suggestion.

**President.** — Question No 28, by Mr De Pasquale (H-283/79):

During the debate of 27 September 1979 on the serious situation of fisheries relations in the Mediterranean sea, the Commission undertook to report to Parliament without delay on the outcome of the current negotiations for a fisheries agreement between the EEC and Tunisia and between the EEC and Libya: can the Commission say whether these negotiations have now been concluded, and in what form?

**Mr Davignon, Member of the Commission.** — (F) As the honourable Member knows, this matter was discussed in detail during the September part-session. What is the situation today? Firstly, Tunisia feels it cannot enter into negotiations with any State on fisheries until the fish stocks in its territorial waters have been scientifically established. On the other hand, as regards the possibility of foreign vessels continuing to fish in those waters — as far as certain questions referred to in the answer given in September have been settled — the position remains open, and we have not had any further approaches from the Italian Government in this matter. The Commission is still determined to try and encourage the conclusion of an agreement.

With regard to Libya, that country's authorities have informed one of my colleagues, Mr Cheysson, that

they are interested in a fisheries agreement. The Commission has indicated that it is prepared to hold exploratory talks on this subject, but it has not received from any of the Member States a request for a more thorough study of the matter.

**Mr De Pasquale.** — (I) I should like to point out that, on 26 September, Commissioner Cheysson gave a formal undertaking to report to Parliament on the course of these negotiations and this has not been done.

Since the unanimous resolution of Parliament, nothing has been heard about the negotiations between the Community, Tunisia and Libya although tension is mounting and Sicilian boats are being taken into custody every day. I assume from the answer given that the Commission has not yet grasped the seriousness of the situation and is doing precious little about it. We all think in Sicily that the Commission underestimates its gravity.

Finally, I should like to ask whether the Commission has ever held a meeting with Tunisia and Libya on the question of a fisheries treaty and whether the Commission has prepared a package of proposals in the light of the views expressed by Tunisia and Libya, and to ask what these proposals were. We know nothing about all this and meanwhile the situation gets worse every day.

**Mr Davignon.** — (F) I should like to assure the honourable Member that the Commission in no way underestimates the problem. It has shown this by sending Commissioners to Tunisia on several occasions.

Secondly, the Commission has, of course, discussed this question and the various initiatives it has been possible to take, since it considers this matter serious and potentially grave for the Community and the States with which it maintains particularly friendly relations.

Getting down to basics, why has the Commission not given a more detailed report since September?

Because, as Mr Cheysson indicated in September, one of the factors essential to the easing of the situation in no way falls within the Community's terms of reference. All the details have been given in this regard. Since then we have been, and we continue to be, in contact with the two parties most concerned — Italy and Tunisia — and it is not possible for us at this stage to make new proposals when one of the parties, which belongs to the Community, has not provided us with more precise information on what its position is and what possibilities exist for a flexible approach in this affair. We are therefore able to act, but only within the limits of what we know and of the information that has been given to us.

## Davignon

This being the case, as soon as we feel that a proposal from the Commission would be likely to ease the situation, the honourable Member may rest assured that we shall present it.

**President.** — Since their authors are absent, Questions Nos 29 and 30 will receive written answers.<sup>1</sup>

The first part of Question Time is closed.

### 21. *Draft amending and supplementary budget No 3 for 1979*

**President.** — The next item is the report (Doc. 1-580/79) drawn up by Mr Dankert, on behalf of the Committee on Budgets, on

draft amending and supplementary budget No 3 of the European Communities, drawn up by the Council on 29 October 1979 (Doc. 1-470/79).

I call Mr MacSharry.

**Mr MacSharry, President-in-Office of the Council.** — Madam President, distinguished Members, I do not wish to speak at great length on the draft amending and supplementary budget before you. The details of the draft are contained in the documents sent to you by the Council. You have, of course, the report of your rapporteur and certain draft proposed modifications recommended by your Committee on Budgets.

Very briefly, the position is that on 29 October the Council established a draft rectifying and supplementary budget for 1979, the essential purpose of which was to adapt the European Agricultural Guidance and Guarantee Fund, Guarantee Section, appropriations for 1979 to take account of the development of the situation on the agricultural markets and, to a lesser degree, to take account of the decisions taken by the Council on 22 June last. The effect of the draft supplementary budget established by the Council was to provide an extra 702 million European units of account for the European Agricultural Guidance and Guarantee Fund, Guarantee Section.

I note that your rapporteur's report recommends that the House should not approve the draft supplementary budget without significant amendment and before a full political answer to certain questions has been supplied by the Commission. I will not comment on the latter condition, which is a matter for the Commission, but I would hope that as a result of the Commission's explanation, you will be disposed not to go ahead with the modification to put a large part of the appropriation of 460 million European units of account into Chapter 100.

As regards the modification to incorporate some of the amount of the proposed transfer into the supplementary budget, I would merely make the point that the background which gave rise to the transfer proposal is well known and I need not dwell on it at this stage. The Council in considering this proposed modification, if adopted, will take full account of the Commission's assessment of the requirements at this stage.

I would end these brief comments by expressing the hope that sufficient flexibility will be forthcoming to enable the draft amending and supplementary budget to be adopted.

Madam President, I realize that this evening the Parliament is concentrating on the supplementary budget and that the discussion on the 1980 budget is scheduled for tomorrow evening; nevertheless, I would ask you to be so kind as to allow me to speak also on the 1980 budget this evening. The reason for this is that I will not be able to be here tomorrow. As you know, Mr Jack Lynch, the Irish Prime Minister, will resign tomorrow and a successor will be appointed. This will involve also the election of a new government. It is imperative that I be present at the discussions in the Irish Parliament. I regret very much that I will not, as I had hoped, be present to hear the debate in the European Parliament tomorrow nor the discussions in the committee tomorrow evening. But you can rest assured that what is said will be fully noted so as to enable the Council on Wednesday to take full account of the views of Parliament.

Turning now to the 1980 budget, I would first of all wish to thank you, Madam President, for allowing me to make this statement.

Looking back on the budgetary procedure to date, I feel that we can record certain positive elements as far as the cooperation between our institutions is concerned. The more rigorous approach followed by Parliament in regard to the entry of payment appropriations for budgetary lines where the spending pattern has not been good in the past is one example of a convergence of views between our institutions.

Another example is the desire to enter commitment appropriations in the budget only if there is a reasonable chance that they can be utilized during the budgetary year. While there may be differences of opinion between Council and Parliament as to whether the necessary decisions will be taken so that appropriations can be utilized in particular instances and one institution may be more hopeful than the other in that regard, there is nevertheless, I feel, an acceptance that this question should be examined with a critical eye.

One area which has attracted much publicity, of course, is the modifications to alter the appropriations for the milk sector in the European Agricultural Guidance and Guarantee Fund, Guarantee Section. Here I

<sup>1</sup> See Annex.

**MacSharry**

would like to make it clear, as I already said in Parliament in November, that the Council in no way disputes the Parliament's rights written not its budgetary powers to make such proposals. It is of significance that the European Council in Dublin invited both the Agriculture and the Finance Ministers to consider the Commission's suggestions. This question is today before the Agriculture Ministers in Brussels. I have just learned that the Council of Agriculture Ministers has today issued a statement on this matter. The text of the statement is as follows :

The Council has noted with sympathy and understanding the reasons which have led the European Parliament within the framework of the budgetary procedure to propose changes in the Guarantee Section. The Council interprets the adoption by the Parliament of these proposed modifications as the will of the Parliament to indicate its preoccupations faced with the financial consequences of persistent agricultural surpluses. The Council shares this preoccupation and accepts that, provided that the fundamental principles of the common agricultural policy are not called into question, changes will be necessary. The Council agrees with the Parliament that early action by the Council is an essential step to secure a better balance within the agricultural section of the budget and within the budget as a whole. The Council draws the attention of the Parliament to the fact that the Commission has recently made a number of proposals to this end. The Council, having in mind the Parliament's proposals for modification, will examine the Commission's proposals urgently and with all the consideration that their importance involves so as to arrive at appropriate decisions in time for the beginning of the marketing years concerned.

The signal sent out by Parliament has met with a very significant response. That response, rather than the fate of the technical budgetary means of broadcasting the signal, is, I feel, what will have impressed public opinion.

Turning now to non-compulsory expenditure, the Council paid very close attention to the priorities implied in the breakdown of the overall increase adopted by the Parliament. It also took full account of the views expressed in the debate in the House in November and by your delegation to the Council on 23 November last. The clear message was that the Regional Fund unmistakably carried the number one priority as far as Parliament is concerned. Although the Council was not able to go as far as the Parliament would have wished, I would like to point out that it allocated 165 million European units of account, or almost two-thirds of the total increase for non-compulsory expenditure, to the Regional Fund. If we compare the figure now before us, 1 015 million European units of account, with the figure of 650 million European units of account which was originally envisaged, we can see that there is a very substantial increase from the Council's point of view in the

capacity of the Fund in a very short period of time. I find it very gratifying that there was, during my term as President-in-Office, this considerable support in the Council for a substantial increase in the Fund, especially having regard to the tight budgetary constraints involved. The Council again, guided very much by priorities emerging from this House, allocated the second largest increase to the Social Fund. Another area where the Council placed very significant emphasis, and which this House has also favoured strongly, is aid to non-associated developing countries. The Council increased the appropriation for this heading from a figure of 110 million European units of account entered in the draft budget to a figure of 130 million European units of account. That increase, while 10 million European units of account short of the amount entered by the Parliament, is quite substantial and will, I hope, find at least an appreciation here.

Of the other large amendments adopted by Parliament the Council was unable to accept the amendments relating to coal and to transport infrastructure, on the grounds that it seemed unlikely in the Council's view that sufficient progress would be made on the basic decisions to allow the use of these appropriations in 1980.

Turning to Parliament's own budget, you will note that the Council did not alter in any way the increased appropriations entered by Parliament. The total of the amendments accepted fully or in modified form by the Council amounts to the balance of the maximum rate remaining after the Council's first reading of the budget. That is a total of 255 million European units of account. The Council was very conscious of the need, for its part during that phase of the budgetary procedure to remain within the maximum rate. I hasten to mention, however, that the Council which is meeting here on Wednesday is prepared to continue the dialogue in the hope that agreement can be reached with Parliament on the 1980 budget.

**President.** — I call Mr Jenkins.

**Mr Jenkins, President of the Commission.** — Madam President, I, unlike the President of the Council, will obviously confine my speech this evening to the supplementary budget, and I have deemed it my duty to speak for the Commission in introducing this debate on the supplementary budget in the House today. It would have been natural for Vice-President Gundelach to have been here, and I know the House would have liked to hear him on this subject, but he has to attend a Council of Agriculture Ministers which is meeting tonight and tomorrow morning in Brussels, and which was fixed some time in advance. It would, in my judgement, have been impossible for him not to have been there ; it would indeed be difficult under

## Jenkins

any circumstances, but particularly when he is presenting a package of measures designed to save a thousand million units of account — and designed, if I may say so, to try and avoid precisely a repetition of this situation which is causing such difficulty today.

I am moved by the fact that he could not be here to take the opportunity to say a word about, in my view, the extremely unfortunate nature for everybody concerned of clashes between Council meetings and sittings of Parliament. I would greatly hope that we can try and avoid this in the future. It should not be impossible, when Parliament is in plenary for only one week in the month, and each Council only meets for one to one and a half days in the same period, to avoid such clashes. I do appeal to you, Madam President, to the enlarged Bureau, and to the Presidency of the Council to see if we can avoid this in the future. It will require positive action, because there are several clashes of dates in the calendar for 1980 already. But I do think it would be a great mutual convenience if we could avoid this in the future.

However, fully recognizing the prerogatives of Parliament, and the difficulty for Parliament of Vice-President Gundelach not being able to be present, I deemed that there should be no question of delegating the duty downwards, but that it should be delegated — perhaps upwards is too strong a word in that it is going into somewhat less expert hands — but delegated at any rate into hands which mark the importance which the Commission attaches to a proper presence before the Parliament on this occasion.

The substance of what we have submitted and ask you to approve is a supplementary budget which increases the agricultural appropriations by 8.4 % for 1979, and as a result increases the overall 1979 budget by 6 %. It will, I think, have come as little surprise to any Members of this House who follow closely developments in the CAP that we have had to submit a supplementary budget for agricultural expenditures in the autumn of this year. We already made it plain at the end of June, when the Council of Ministers reached its decisions on the agricultural price proposals, that a supplementary budget following these decisions would then inevitably be necessary. It was made necessary by the action of the Council itself in rejecting the changes which the Commission sought in certain sectors, changes which were highly desirable for budgetary reasons, and upon which the level of agricultural expenditure for 1979 was predicted.

The first factor — though not the only factor in the supplementary budget is therefore the Council's decisions. Let me put this into figures: The House knows that at the beginning of 1979 the Commission proposed a variable co-responsibility levy for milk linked to the increase in production, accompanied by

a reduction in the B quota for sugar. These measures, if adopted, would have had a direct effect on the 1979 budget, and perhaps even more in later years. For example, a 2 % co-responsibility levy, applied even from as late as June, would have raised 150 million units of account in 1979, and 379 million units of account in a full year. The sugar proposal would have reduced budget expenditure in a full year by 146 million units of account. If these and our other proposals had been adopted, we could possibly even probably, have avoided a supplementary budget, or at most limited it to a modest sum. The matter which is before you today does not therefore stem from the Commission's policy. It stems principally from the decisions of the Council of Ministers for Agriculture, unanimously adopted.

However, another important factor has also been the variations within the agricultural sector itself during the course of the year. Weather and yields are not within the control of any of the Community institutions; nor, to any overwhelming extent, are prices on world agricultural markets. We can have some effect there, but not necessarily a decisive effect. We can only forecast these elements, and it is the frequent fate of forecasters to be wrong. In some years our forecasts have over-estimated expenditure, and in other years we have underestimated it. This year there has been an underestimate, though it is only fair to point out that the size of the forecaster's error — what would have happened independently of policy decisions — has been relatively small. It is therefore against this background of Council decisions not in accord with the advice of the Commission and of production increases somewhat higher than we forecast for other reasons, that the Commission has been obliged to manage the agricultural markets in the course of 1979, which in turn has led to some increase in expenditure. We have to manage the markets as efficiently as we can, and in conformity with the Community legislation as it exists. That is our responsibility, and we believe that we have properly executed it. We have been faced with a particularly large additional volume of milk, and through the various schemes available to us, whether on the internal or external markets, we have endeavoured to dispose of it effectively and at least cost, even if this has inevitably meant some additional expenditure over the forecast. Neither the Commission nor the other Community institutions can opt out of the responsibility for these continuing management decisions to deal with the surpluses which actually exist and which exist as a result of what has been done, or not done, in the past.

Let me go into a little more detail on one of the specific questions which was addressed to the Commission in the report of the Committee on Budgets on the background to the Commission's deci-

## Jenkins

sions on butter export refunds in 1979, and the prospect here for future savings.

We are asked in this report why we did not cut expenditure by reducing export refunds. First butter: here I remind you that the export refund in money terms for this product remained virtually the same between February 1977 and the autumn of this year — 2 1/2 years or a little more — in spite of significant inflation in the Community and of relevant changes in the value of the United States dollar. In other words, the refund was progressively reduced over these 2 1/2 years in real terms. In November of this year, in addition, we reduced it in nominal terms, on top of the real reduction which had taken place previously, by more than 5 %.

Second milk powder: here I can inform the House that we progressively reduced the export refund four times — on 14 June, 3 August, 12 October and 17 November — in line with developments in the world market. For both these products we are therefore adapting the refunds as rapidly as possible to changed market conditions.

It may well be in the minds of some that we should have reduced the refunds still more rapidly in order to reduce the volume of exports and dispose of the additional surpluses to a greater extent upon the internal Community market. On this point it is essential to recognize that exports of butter and milk powder are substantially cheaper in budgetary terms than many of our schemes for subsidizing sales on the internal market. Had we tried to increase internal sales in addition to our already substantial efforts in this direction, it would have cost more, not less, in budgetary terms and we should have been obliged to come to you with a bigger supplementary budget. As it is, we believe that in the circumstances, difficult and unhappy circumstances, our management in the milk sector has been sound. The average rate of export refund in 1979 will be lower than in 1978. Meanwhile the volume of exports has increased, reducing the stocks at least cost and giving us better control, particularly of the butter situation. Thus, not only have we reduced our expenditure on storage in 1979 by 150 million units of account, but for the future we shall avoid the problem of large stocks overhanging the world market and depressing the world price.

Let me deal with one further point. It has been suggested that we should have submitted this supplementary budget to Parliament earlier than October. Now, I would have much sympathy with this suggestion if I thought that it would have assisted Parliament to deal with this question, but I am convinced that it could not have done so, and for the following reason. It was clear, as soon as the Council took its price decisions at the end of June, that extra expenditure would be incurred and a supplementary budget would be neces-

sary, and we indicated this quite clearly in our report on the execution of the budget for the second quarter of the year. Although that was clear, we made no attempt to conceal it; on the contrary, we drew the attention of Parliament and public to it at the earliest possible date. What was not clear, and could not at that stage have been clear, was how much additional money would be involved. It was necessary to wait until the autumn for the more sure estimates of the Community and world cereal harvests, for estimates of milk production and other elements. Had we brought forward a supplementary budget in July, as we could have done, we should have been obliged to revise it and bring forward another supplementary budget in October, and that, I believe, would have complicated rather than assisted the work of this House and of the Committee on Budgets.

For the reasons I have explained, Madam President, the Commission considers that the supplementary budget placed before you is necessary, justified and soundly based in terms of existing policies. This is not to say that the Commission submits this request for approval of the additional expenditure with any joy in its heart. We regret that the Council of Ministers did not take the necessary decisions in 1979 to bring better budgetary control into the agricultural sector. It is now all the more imperative that it should do so, and for that purpose, as I indicated at the beginning of my remarks, we have just submitted major proposals which should reduce the level of spending in a full year by a sum of the order of a thousand million units of account.

This is not the occasion to explain these new proposals in detail, but I shall none the less express the hope that Parliament will agree that they represent an essential step towards a solution. They are a step towards a solution of the surplus problems. They will not, unfortunately, help us with the 1979 situation or with the 1979 budget, and to that extent this debate on the supplementary budget is a debate about the cost to the Community of lost opportunities. At the same time it is a debate about the inevitable cost of the existing policy, as we are at present forced to pursue it.

It is not my view, however, that by rejecting the 1979 supplementary budget we shall bring about the necessary changes in the agricultural policy. My advice would be that we adopt the supplementary budget without enthusiasm. Nobody can feel enthusiasm for the position in which we find ourselves as a result of policy decisions or the lack of them, which has made this position inevitable. Let us accept it, but do so with a better and firmer hope and resolve for the future.

**President.** — I call Mr Dankert.

**Mr Dankert, rapporteur.** — (NL) Madam President, not inconsiderable pressure has been exerted on Parliament in the last few weeks to approve this supplementary budget for 1979 as quickly as possible. The arguments advanced for this rapid action were always that farmers' incomes would be in danger if Parliament did not make haste. I, of course, agree with all those who find it unacceptable that European farmers, whether they are prosperous or not, should be deprived of the incomes that are their due as a result of delay in decision-making procedures. I would point out, however, that if Parliament — at least if the Commission and Council cooperate as they have been asked to do — makes a decision this week, it will have adopted the most rapid procedure possible, that provided for in Article 203. A decision might also have been taken in January, if we had resorted to two readings. The present procedure — and I am grateful to the President of the Commission for his explanation — has enabled us to look quite thoroughly into how and why the Commission has arrived at this preliminary draft supplementary budget. Many questions were answered during that examination, and I intend to put a number of supplementary questions now. I feel that there are still many questions that have not been answered, even by Mr Jenkins. And as a number of these questions are serious, the Committee on Budgets thought it best to spread the debate over two readings to ensure that we receive full answers to our questions.

To help ensure that this discussion takes place in a calm atmosphere, I should like to point out first of all that the Commission itself, and much less so the Council, is to blame for the fact that the Commission cannot at the moment fulfil its obligations towards exporters and farmers. My view therefore differs from that advanced by the President of the Commission: when he refers to the agricultural decisions of 23 June, I agree with him that they have had an effect. But I feel that the effect of these decisions on this supplementary budget has been extremely limited, although the budgetary problem as a whole would have taken on a different complexion if on 23 June a number of vital decisions had also been taken on the co-responsibility levy and so on.

But what I should particularly like to emphasize is that, unlike Parliament, the Commission and Council were well aware of the fact that every month from the beginning of the year until the submission of the supplementary budget the advances made to the Member States under the Community's market and price policy exceeded — in some cases very considerably — the monthly average estimated in the 1979 budget. Even before the summer it was absolutely clear to the Commission that the monthly accounts from January onwards were all following exactly the same line. The President of the Commission says that Parliament was informed of this in good time, but I

must point out that the six-monthly report, which did not reach us until October — although those in the know were able to see it in September — refers only to payments, not to advances. The picture is therefore somewhat different from that just painted by the President of the Commission.

I believe that on 22 July the financial implications of the decisions taken by the Agriculture Ministers were obvious. But the Commission did not really stir until October. In the second half of August the Dutch Agriculture Minister informed the Dutch Parliament that in his estimation, based on the trend in advances at that time, Guarantee expenditure would exceed the budget by over 2 000 m EUA. If the Dutch Agriculture Minister knew that, the Commission must have known it too. Nevertheless it took until October for the proposal for a supplementary budget amounting to 802 m to be submitted. The Commission does not really have any excuse for this tardy submission. I now hear from the Commission that the Council is to blame. In other places, in the Committee on Budgets for example, I have repeatedly heard that the Commission was so late because it wanted to make an accurate calculation of what was needed, because it might otherwise have asked for too much. But when I look at the preliminary draft budget, for example the cash appropriations requested for the Regional and Social Funds, I do not think that the Commission generally shines at accurate calculation. Furthermore, on 16 October the Commission said it needed 802 m, but less than two weeks later, it agreed with the Council on an amount of 702 m. One hundred million less, therefore. There's accurate calculation for you!

It is unfortunately not unusual for the Commission to submit supplementary budgets to offset budgetary deficits in the Guarantee Section. Trends in this sector are unpredictable, that is true, even non-farmers know that. But when the original estimates for the dairy and beef and veal sectors are exceeded by almost 1 000 m EUA, a number of questions have to be asked both about the actual excess amount involved and about the use to which it is put, and these questions deserve a clearer answer than what I have so far heard from the Commission, and that applies not only to Mr Jenkins but also to his colleagues. According to the budget figures for 1979 the Commission had planned to sell 150 000 tonnes of butter this year and the appropriations were allotted for this purpose. But instead of 150 000 tonnes, 400 000 tonnes have been sold outside the Community, or 250 000 tonnes without any budgetary cover, and the Commission was in no way compelled to sell this butter. Mr Jenkins has just said that the refund was not reduced until November. If the refund had been reduced earlier, a far smaller quantity of butter would probably have been sold. And now we might discuss the question of whether that was necessary or not. It is a fact that the

**Dankert**

Commission had to spend 500 m without budgetary cover. This expenditure must be weighed against the advantages. The Commissioner said that the storage of butter had resulted in a saving of 250 m, on the whole at least. I see, on the other hand, additional costs of 500 m. I therefore wonder what the relationship is between these two aspects and whether a responsible policy has been pursued in this respect. That is why I must ask the Commission how it justifies entering into obligations that can be avoided, without there being any budgetary cover and without the budgetary authority being informed in any way. What part in fact does the budget play when such decisions are taken? All items of revenue and expenditure must be included in estimates to be drawn up for each financial year, according to Article 199 of the Treaty. By reducing the refund level the Commission can make very accurate estimates, but this supplementary budget proves that the Commission has little need of them. It is for the budgetary authority, therefore, to teach the Commission that this need exists.

This leads me to ask two questions. Firstly, what has the Commission so far done to ensure that there continues to be a close relationship between market policy and budgetary cover, and when did it do this? Secondly, is the Commission prepared to give an assurance that, particularly as regards budget items that do not automatically need to be exceeded, it will request the budgetary authority's approval before it exceeds the original estimate? It is in itself hard to accept that the budgetary authority, which works on the basis of calendar-year budgets, should find every year that the budgetary policy being pursued is thwarted, in that between April and June of the year to which the budget applies it must put up with decisions by the Agriculture Ministers which distort the budget. The lack of coordination between the Budget Council and the Agriculture Council is becoming, as own resources approach exhaustion, increasingly unacceptable, not only in budgetary but also in political terms. But it is absolutely unacceptable that the Commission — and I would remind it of its collective responsibility in this respect — should, without batting an eyelid, exceed the limits on the total paid out in refunds, which it itself sets, as a result of the export refund policy it pursues.

I admit that there may be unforeseen reasons for exporting more butter, milk powder, meat or whatever. But the least the Commission can be expected to do is to inform the budgetary authority beforehand and to make an accurate assessment of the advantages and disadvantages of planned transactions. Four lines of subsequent explanation, in the preliminary draft, of a shortfall of about 500 m is an insult both to the budgetary authority and to the taxpayer.

Clarification is usually required during this debate to account for the 500 m, and in the Committee on

Budgetary Control to account for the whole system of sales.

For this reason I have a few more questions to ask. To whom has the butter been sold, and from which stocks? Is it true that the port of departure in the EEC tells us little about the origin of the butter, because it is frequently stored where the real price is most favourable?

To what extent does the Soviet Union hold a position of power in the market, and is this position of power such that the Soviet Union in fact determines the refund level? What structural effect does the sale of butter have on the butter mountain? And can the cost-benefit analysis of these sales that has been requested be given?

From butter to milk powder is but a short step. The figures give less cause to take up the question of milk powder than is the case with butter. And yet the most serious criticisms levelled at the Commission have concerned sales of milk powder. The Dutch Agriculture Minister, a member of the Council, recently accused the Commission of having thrown away about 100 m units of account in sales of milk powder, and Mr Schouten, chairman of the Dutch Agricultural Board and a prominent man in agricultural circles, said on 7 November in connection with the budget debate in this Parliament: 'Some Members of the European Parliament continue to fly in the face of the agricultural sector by referring to a wasteful agricultural policy. In fact, the methods of the Community's Agriculture Commissioner are largely to blame for this. It is suspected that Mr Gundelach has overly reduced the stocks of skimmed-milk powder at considerable expense. This has increased the cost of the agricultural policy to an unnecessarily high level, and the continuity of a fully-fledged food aid programme for the developing countries is in danger. This careless market policy towards skimmed-milk powder cannot be justified.'

Madam President, these are accusations which must be refuted, because if they are not refuted, part of the agricultural policy will fall into disrepute. I have not yet heard the Commission refute these accusations.

What lies at the centre of the accusations? I have tried to fathom this. On the one hand, it is said that the system of tenders for milk powder which was used in 1976 and 1977 because of the enormous stocks and resulted in purchases direct from the market rather than from intervention stocks, remained in force too long and endangered traditional demand on the internal market and the position of the developing countries, and also that the refunds were not reduced in June and August far enough to curb large-scale selling. In the many discussions it has had on the supplementary budget the Committee on Budgets has been unable to obtain an explanation from the Commission. The question remains: has the Commis-

**Dankert**

sion, by retaining too high a refund level, helped the trade to make large profits? Or has the high refund level resulted in dumping on the world market? How large is the proportion of the milk powder mountain that has been sold in future dealing by means of the system of prefixing sales?

It would seem that the Court of Auditors has been looking at the considerable opportunities for fraud that the refund system offers and has drawn a number of unpleasant conclusions in what is as yet an internal report. I assume that the report will remain internal for the time being so as not to cause even worse cases of fraud. But from the course of events relating to the sale of milk powder my impression is that the refund system does not work well even when fraud is not being practised.

If the Commission can give a frank and honest answer to the questions that have been raised and if it is not too evasive, the Committee on Budgets feels that this supplementary budget can be approved. But that answer is of fundamental importance, and so far it has not been given in any of the long discussions we have had in the Committee on Budgets.

And now to another problem. Soon after the draft supplementary budget reached us, the Committee on Budgets was asked to approve the transfer of 130 m from the Guidance to the Guarantee Section of the EAGGF. The transfer would mean that of the commitment appropriations set aside for the Guidance Section for 1979 — about 188 m — a total of only 57 m, or about a third, would remain, and of the estimated 206 m in payment appropriations, about 75 m.

A clearer illustration of the failure of the Community's agricultural structural policy could hardly be given, not to speak of the failure of the budgetary policy. It seemed to the Committee on Budgets really too silly to let this important political factor go with an opinion on a transfer, all the more so as this transfer was in fact intended as a means of making available the 100 m lost between the preliminary draft supplementary budget and the final draft and, as the President of the Commission has already said, in this way to spend this amount somewhat more quickly than would have been possible under the supplementary budget.

Then there is an amendment to the remarks tabled by the Committee on Budgets. This is in fact merely intended as an incentive, which moreover fits in with the package Mr Gundelach has on his table at the moment, to increase the difference between the intervention price and the market price in the beef and veal sector to some extent in order to prevent a recurrence of unnecessary spending in 1980.

This supplementary budget thus gives rise to many questions and comments. It must result in the agricul-

tural policy, which accounts for about 85 % of the Community's total expenditure in real terms, being fully implemented in 1979. But at the same time there are serious doubts about whether the agricultural policy can work and whether the Commission is prepared to help make it work satisfactorily.

Following the lack of an explanation from the Commission there was in the Committee on Budgets a growing feeling that this supplementary budget should be rejected. We have not recommended this step for three reasons.

Firstly, with our proposal for a second reading we want to give the Commission a chance to put forward proposals and to reach agreements that may prevent the same wretched situation arising in connection with the budget policy and the agricultural policy in 1980 as is now happening with this supplementary budget. I am glad that the Commissioner himself also intends to make an effort in this respect. We are therefore prepared to regard this draft supplementary budget as a legacy of a past which is unacceptable to a budget authority that intends to do its duty.

Secondly, the rejection of two budgets in one week would surely be going too far.

The last, but by no means least, reason is that this supplementary budget is partly intended to provide the funds required to give the farmers some of what is their due. It would be unreasonable to punish them for the shortcomings and mistakes of others.

*(Applause)*

**President.** — I call Mr Nielsen on a point of order.

**Mr Nielsen.** — *(DK)* I should like to ask whether it is in accordance with the Rules of Procedure for a speech on the supplementary budget to be used in this way to promote the Socialists' favourite sport of attacking agriculture and the agricultural policy.

**President.** — As rapporteur, Mr Dankert was entitled to an allocation of speaking time to introduce his report. If you wish to speak as a Member of the House you may put your name on the list of speakers for the debate which will be held tomorrow.

I call Mr Lange on a point of order.

**Mr Lange, chairman of the Committee on Budgets.** — *(D)* I find it somewhat strange that a Member of the House should accuse a rapporteur of a committee of expressing party-political views. Mr Dankert has presented precisely the opinion of the Committee on Budgets, and Mr Nielsen should note that and not make insinuations here.

*(Scattered applause from the right)*

**President.** — In accordance with the decision taken by the House, we must conclude this debate now.

*22. Agenda for the next sitting*

**President.** — The next sitting will be held tomorrow, Tuesday, 11 December 1979, from 9.00 a.m. until 1.00 p.m., and from 3.00 p.m. until 7.00 p.m., with the following agenda :

- Continuation of the debate on the Dankert report on draft amending and supplementary budget No 3 ;
- Dankert report on the 1980 general budget and on the outright rejection of that budget ;

— Supplementary reports by Mr R. Jackson on Section I, Section II Annex and Section V of the 1980 general budget ;

— Hoff report on the ECSC levies for 1980 ;

*3.00 p.m. :*

— Vote on the draft amending and supplementary budget No 3 for 1979 and on the motion for a resolution contained in the Dankert report.

The sitting is closed.

*(The sitting was closed at 8.00 p.m.)*

## ANNEX

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

1. At its November 1979 part-session the European Parliament delivered 10 opinions in response to Council requests that it be consulted. In one case the no-report procedure was used to deliver a favourable opinion on
  - the proposal for a Regulation amending Regulation (EEC) No 574/72 fixing the procedure for implementing Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons and their families moving within the Community.  
The Regulation was adopted by the Council on 20 November 1979.
2. At the November part-session Parliament discussed nine reports and delivered favourable opinions on them :
  - Report by Mr Pearce on the Regulations on the European Community's generalized tariff preference scheme for 1980 :  
Under study at the Council ;
  - Report by Mr Hoffmann on the decision initiating a consultation procedure concerning international action in the field of air transport :  
Under study at the Council ;
  - Report by Mr Peters on the social aspects of the restructuring of the steel industry :  
Under study at the Council ;
  - Report by Mr Enright on a Regulation approving the Agreement between the Government of the Republic of Senegal and the EEC on fishing off the coast of Senegal and two exchanges of letters relating thereto :  
Under study at the Council ;
  - Report by Mr Ligios on a Regulation approving the Agreement between the Government of the Republic of Senegal and the EEC on fishing off the coast of Senegal and two exchanges of letters relating thereto :  
Under study at the Council ;
  - Report by Mr Welsh on a Regulation suspending in whole or in part the CCT duties on certain products falling within Chapters 1-24 of the CCT, originating in Malta (1980) :  
Under study at the Council ;
  - Report by Mr Kirk on a Regulation laying down certain measures for the conservation and management of certain fish stocks in waters off the west coast of Greenland, to apply in 1979 to vessels flying the flag of a Member State of the Community :  
Under study at the Council ;
  - Report by Miss Quin on a Regulation implementing Articles XVIII and XXIII of the Convention on Future Multilateral Cooperation in the North-West Atlantic Fisheries as regards the scheme of joint international enforcement :  
Under study at the Council ;
  - Report by Mr Caillavet on a Regulation setting up a system of aid for the marketing of aubergines produced in the French West Indies :  
Under study at the Council.

*Questions which could not be answered during Question Time, with written answers**Question No 8 by Mrs Wiczorek-Zeul (H-186/79)*

Subject : Commission Information Policy

Has the Commission made any detailed evaluation of the impact of its information campaign for direct elections, and if so, what conclusions has it drawn, particularly in view of the need for improved information and communications policies, particularly for workers and youth groups ?

*Answer*

Yes. The main conclusions of the Commission's review of the direct elections campaign were that :

- a campaign on such a scale was only possible for an exceptional event, due to the extra funding and personnel required
- it was clear that the mass media, and particularly television, were the most effective means of reaching the general public
- the advice and services of external specialized agencies proved their value, and might be considered for smaller scale campaigns in the future.

As to information directed specifically to workers and youth, the Commission will continue, within available resources, to seek to improve the information flow to these groups. In 1979 some 13 % of the total information budget was specifically directed towards youth and some 5 % towards the trade unions.

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*Question No 11 by Mr Poncelet (H-223/79)*

Subject : Utilization of the non-quota appropriations of the European Regional Development Fund

The non-quota appropriations of the European Regional Development Fund are allocated in principle as follows : 50 % to the mainly rural areas, 20 % to the iron and steel areas and 30 % to various other areas, including hill and mountain regions.

I notice that the Item 1 appropriations (mainly rural areas) received by France are exclusively devoted to the greater South-West region. What share of appropriations does France receive under Item 2 (iron and steel areas) and Item 3 (various other areas, including hill and mountain regions)?

*Answer*

Specific Community regional development projects, so-called 'non-quota' projects, must comply with two main conditions :

- be linked to Community policies or contain provisions approved by the latter which permit fuller account to be taken of their regional impact or to mitigate their effects at regional level ;
- take account of the relative seriousness of regional imbalances in the Community.

The projects proposed by the Commission to the Council, on which Parliament will have an opportunity to express its opinion, are only an initial batch and account for only part of the appropriations planned for the non-quota section in the next few years.

Moreover, it is clear that the very nature of the non-quota section precludes the prior fixing of limits for the allocation of funds from this section either among the Member States or particular zones or regions. It is not impossible at this very early stage to make any overall assessment of the non-quota projects.

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*Question No 17, by Mr van Aerssen (H-334/79) (formerly O-101/79)*

Subject : Undercutting of export credits by semi-industrialized countries

Export credit agencies in the industrialized countries are complaining more and more that the semi-industrialized countries are offering more attractive credit facilities.

1. Is it true that semi-industrialized countries such as Brazil, South Korea and Yugoslavia, are increasingly undercutting the industrialized countries' export credits ?
2. Does the Commission have any evidence that this competition is particularly marked in the Middle East construction industry and the textiles, chemicals and car industries ?
3. What damages have the OECD countries so far suffered because of the fact that the semi-industrialized countries are not bound by the OECD agreement on export credit terms and are under no obligation to make public the facilities offered to their customers ?

4. What opportunities exist of bringing the semi-industrialized countries within the scope of the agreement, particularly since some of them are members of the Berne union of export credit insurers?
5. What steps will the Commission take within the framework of its bilateral negotiations with individual semi-industrialized countries to prevent a credit war?

*Answer*

1. The Commission has no information that the countries mentioned by the honourable Member have granted export credits for the sectors he mentions which do not comply with the OECD agreement on guidelines for export credits backed by public funds.
2. As the honourable Member knows, these countries were not party to this agreement. The European Community has, however, been trying to secure the accession of Brazil and South Korea to the agreement. These attempts have as yet met with no success. The Commission will, however, raise any problems arising in its bilateral discussions and, where necessary, take the necessary steps.

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*Question No 19, by Mr Seal (H-253/79)*

Subject: Unfair competition in the tufted carpet industry

The tufted carpet industry in the EEC is being attacked because the USA is exporting 'subsidised polyester fibre'. As this practice constitutes unfair trading, what retaliatory action is planned by the Commission?

*Answer*

As the Commission has already stated in answer to a number of Oral and Written Questions, it has investigated in detail the effects of price controls for oil and natural gas in the United States on the European artificial fibres industry.

With the agreement of the Member States, the Commission has requested the American authorities for consultations within GATT to solve this problem without delay. The first discussions are scheduled to take place on 14 December 1979 in Geneva.

As far as the specific question of polyester fibres is concerned, the Commission has decided to introduce provisional anti-dumping levies on certain exports from the United States with effect from 4 December 1979.

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*Question No 21 by Mr Leonardi (H-267/79)*

Subject: Multifibre agreements

There is a most serious crisis in the synthetic fibres sector, with firms suffering heavy losses and thousands of employees being dismissed. What stage has been reached in the procedure for the adoption of the implementing regulation for the agreements which have been reached in this sector with the Commission's active encouragement? If the regulation has still not been adopted, what is the reason for this?

*Answer*

The honourable Member's question brings to mind that in November last year the Commission noted after an initial examination of the agreement in question that this was not compatible with Article 85 of the EEC Treaty, particularly with regard to certain sections referring to the stipulation of volume of delivery and levels of operation of plant. At the same time, however, the Commission was of the opinion that there was a problem with overcapacity in this sector which should be resolved in the most appropriate manner.

The manufacturers of synthetic fibres were informed of the above in a whole series of meetings with representatives of the Commission. Following these meetings the manufacturers indicated that they would modify the proposed agreement so as to remove the regulations to which objections had been made, and it was understood that the new agreement should only contain measures for the coordi-

nated reduction of certain surplus capacity. This agreement was of course to be examined by the Commission and its compatibility with the provisions of Article 85 (3) scrutinized.

Under these circumstances the Commission did not consider it necessary to submit to the Council a proposal for a draft regulation based on Article 87 (2) (c) which would institute special community legislation for 'crisis cartels'.

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*Question No 29, by Mr Battersby (H-285/79)*

Subject : Community finance for China

Following reports that Japan is to raise the matter of China's classification as a developing country, in the Development Aid Committee of the Organisation for Economic Cooperation and Development, what steps is the Commission taking to coordinate the position of Member States on the conditions for financing the Community's trade with the People's Republic of China ?

*Answer*

In the Commission's opinion, all parties should continue to adhere to the OECD agreement on export credits.

As far as the new Japanese loans to the People's Republic of China are concerned, the Japanese authorities have assured the Commission that these are basically untied credits.

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*Question No 30, by Sir Peter Vanneck (H-286/79)*

Subject : The Community's supplies of titanium

What consultations have taken place between the Commission and the Community's users and producers of titanium in order to ensure current and future supplies ?

*Answer*

1. Since 1975 the Commission has conducted a major series of consultations with users and producers of titanium. These took place as follows :
 

— 30 October 1975	Consultation with producers and users
— 15 December 1976	Consultation with producers and users
— 13 October 1978	Consultation with users (anti-dumping procedure)
— 10 November 1978	Consultation with users (anti-dumping procedure)
— 16 February 1979	Consultation with leading management within the industry
— 6 March 1979	Consultation with officials responsible for supplies within national administrations
— 27 March 1979	Consultation with producers and users (anti-dumping procedure)
— 12 October 1979	Consultation with officials responsible for supplies within national administrations
2. Despite the various meetings listed above on the anti-dumping procedure, it was nevertheless clear that although a watchful eye must be kept on the prices paid by the Community for its supplies, it was equally important to note quantities, i.e. the level of Community dependence.
3. On the basis of the estimated demand which emerged from the meetings in 1975 and 1976 together with the precarious nature of supplies as revealed by the anti-dumping procedure and the Soviet attitude, the Commission sought on two occasions in 1978 and four times in 1979 to attract the attention of firms (both private and public) to the risks involved.
4. During these consultations the Commission was prompted to make specific suggestions on setting up production capacity within the Community. The solution proposed envisaged the setting up of a joint subsidiary by the industries involved in the various stages of titanium refinement which on the one hand would guarantee an outlet and on the other hand guarantee supplies. As the various

parties involved were unable, or unwilling, to adopt a Community solution, there is a risk that the present dispersed nature of activities could lead either to the persistence of the current dependence on supplies from abroad or to the generation of excess capacity.

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*Question No 31, by Mr Cronin (H-289/79)*

Subject: Loss of industry due to Ireland's geographic location

Would the Commission agree that our geographic location on the periphery of the Community has led to the loss of the establishment of heavy industry in Ireland and what would the Commission propose as a solution?

*Answer*

The location of industry depends on a variety of economic, historical, cultural and geographical factors. The fact that heavy industry has failed to become established in Ireland may, indeed, be partly attributable to the Country's location on the periphery of the Community. However, another important factor has probably been the country's lack of those raw materials that are essential to the iron and steel and the metallurgical industries, bearing in mind, moreover, that for industries of this type transport costs are also a decisive factor, in terms both of input and output.

Furthermore, in the past, and particularly before Ireland's accession to the EEC, the growth of Irish industry largely depended on the size of the market.

An economy based on heavy industry is a dubious advantage in the present economic climate. Indeed, heavy industry is today characterized by sectors of sluggish growth in which the number of workers is declining. Moreover, these sectors are becoming increasingly capital-intensive and are often large consumers of energy and a source of pollution. It should be added that they are now being compelled to adjust to international competition.

The future growth of industry in Europe should be based on products with a high added value and on technologically advanced production processes requiring highly skilled labour. These requirements will be met increasingly by small undertakings. As a member of the European Community, Ireland now has access to a vast market, an advantage from which Irish firms are likely to benefit increasingly in the future.

The Commission is obviously in a position to use the financial instruments at its disposal and, in particular, the Regional Fund, to help the Member States to expand their domestic industrial activities. However, it is clearly the task of the national government to decide whether and how it should promote the creation of a particular industry, and the Commission will take action only at the request of the Member State concerned. And then, of course, the Commission will be guided by the development potential of the projects submitted to it when deciding whether to grant Community aid.

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*Question No 32, by Mr Cecovini (H-291/79)*

Subject: Abolition in Italy of the Ente Nazionale per la Protezione degli Animali (National Organization for the Protection of Animals) — ENPA

In its scheme to abolish 'unnecessary' state bodies, i.e. those no longer filling a real need or whose tasks can best be organized in a different way, the Italian Government has included the Ente Nazionale per la Protezione degli Animali — ENPA — the only one to operate at national and state level in this very humanitarian field which is largely dependent on voluntary help; the Commission is therefore asked whether it will urge the Italian Government to restore ENPA and keep Italy on a par with the other Community Member States in which respect for animals is a great humanitarian and moral tradition.

*Answer*

The Commission is familiar with the matter raised by the honourable Member. It does not fall within the Commission's terms of reference, however, to intervene in the internal administrative affairs of the Member States.

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*Question No 33, by Mr Schwartzberg (H-292/79)*

Subject : Education in human rights at school

Does not the Commission feel that, with the resurgence of xenophobia, and indeed racism, it has a duty to invite the Member States to introduce education in human rights and fundamental freedoms at primary school or, at all events, at secondary school level ?

*Answer*

The Commission does not intend to draw up a draft resolution on education in human rights and fundamental freedoms in schools.

The Commission has suggested that Member States urge education authorities to encourage study of the Community and Europe in schools. Human rights and fundamental freedoms could be dealt with on a comparative basis in this context.

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*Question No 34, by Miss Brookes (H-294/79)*

Subject : Steel

The Welsh Steel Industry and, in particular, Shotton Steel Works, is facing financial viability which has resulted in redundancies.

In the light of this, could the Commission please state what definite financial assistance, and in what form it is available from the European Iron and Steel Community and from the EEC for the 1049 of young people and school leavers in the Deeside Area who have never been employed in the steel industry ?

*Answer*

Aid can be given under Article 56 of the ECSC Treaty to the young people in question only if they have been employed in the coal or steel industry and have subsequently been made redundant. It should be noted in this connection that the Commission received very recently (on 4 December 1979) an application for aid for a Community subsidy connected with the fact that no less than 7 100 workers are in danger of losing their jobs through the closure of the Shotton Steel Works.

'Regional' projects in Wales may be subsidized under the European Social Fund. Although these projects do not *specifically* concern young people, the latter are entitled nevertheless to receive vocational training under the auspices of these regional projects.

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*Question No 35, by Mr Papapietro (H-296/79)*

Subject : Recruitment of Greek officials at the Commission

Can the Commission confirm that it received a memorandum from the Greek Government requesting that when Greece accedes to the Community the Commission recruit Greek personnel 'enjoying the protection' of their Government ?

If so, what action does it propose to take to ensure the full implementation of the provisions of the Staff Regulations on the recruitment of Community personnel and, consequently, to guarantee that staff is recruited without discrimination, particularly as regards their opinions and membership of political parties ?

*Answer*

The Commission has not received a memorandum from the Greek authorities on the subject of recruitment.

The Greek authorities have confirmed in statements to the Greek Parliament and to the Commissioner responsible for Personnel and Administration that they fully accept the provisions of the Staff Regulations governing recruitment, and the absence of any political or ideological discrimination.

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*Question No 36, by Mrs Fullet (H-297/79)*

Subject: Unfair advertising aimed at young consumers

Every day young consumers in particular are the target of unfair advertising carried by the mass media and aimed at promoting the sale of various products designed especially for children.

What measures does the Commission intend to propose to the Member States in order to remedy the situation?

*Answer*

On 1 March 1978 the Commission forwarded to the Council a proposal for a directive on unfair and misleading advertising which contains a definition of misleading advertising aimed at young consumers.

This proposal for a directive, which has already been examined by Parliament and the Economic and Social Committee, is at present being considered by a Council working party.

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*Question No 37, by Mr Michel (H-299/79)*

Subject: Iron and steel industry in Belgian South-Luxembourg

Under the programme it has just submitted to the Council to assist various areas affected by the restructuring of the iron and steel industry (European Regional Development Fund, non-quota section), can the Commission state what progress has been made with the 'TITEC' project to establish, within the framework of the conversion of the Belgian South-Luxembourg iron and steel industry a titanium foundry perfectly geared to technological and industrial advances and requirements in the years ahead?

*Answer*

The Commission has been informed that Aerotech, in which SDR of Wallonia has a 98 % holding, concluded an agreement in summer 1979 with the American company 'TITECH' to build a titanium foundry in Wallonia. This factory should provide employment for approximately 200 people. As far as this project is concerned, the Commission has as yet not received a request for assistance either as provided for in Article 56 (2) ECSC (reconversion loans) as part of the normal ERDF arrangements or from the non-quota section of the ERDF.

On the other hand the Commission can inform the honourable Member that an enquiry has just been received from certain sectors of the Belgian economy as to the extent to which the Commission would be prepared to co-finance a feasibility study to select those metallurgical processes for titanium (to supply titanium sponge) which are best adapted to technological progress and future needs. This initiative followed the announcement of similar projects in other Member States of the Community and cooperation agreements with third countries, and the Commission is currently considering whether Community aid should be granted to such a study.

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*Question No 38, by Mrs Weber (H-300/79)*

Subject : Effects on consumer prices of the recent countervailing charges on cucumber imports from Greece and Spain

What were the Commission's reasons for raising the countervailing charges on cucumber imports from Greece and Spain in November ?

*Answer*

Since 1962 minimum import prices have been fixed for a limited number of principal fruits and vegetables in order to avoid the Community market being disturbed by abnormally low import prices.

If these import prices fall below the minimum required a countervailing charge is levied to bring the import prices up to the required level and if prices fall still further the tax is increased proportionally.

The recent countervailing charges on Greek and Spanish cucumbers were introduced : increased and abolished in the normal management of the market organization.

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*Question No 39, by Mr Carossino (H-301/79)*

Subject : Quality standards for live plants and floricultural products

In view of the fact that the Consultative Committee having been instructed to consider amendment of the legislation on quality standards for live plants and floricultural products, completed its work some time ago, does not the Commission feel it should submit to the Council for its speedy adoption the new quality standards for the marketing of flowers, amending Regulations EEC 315 and 316/68, which have proved ineffectual in safeguarding the quality of floricultural products marketed in the EEC countries ?

*Answer*

The Commission is in the process of examining together with delegates from Member States the whole question of quality standards applied to products of floriculture. In the light of reactions at this stage which are extremely divergent, the Commission is examining these standards in order to define any necessary adjustments which might be proposed to the Council.

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*Question No 40, by Mrs Kellett-Bowman (H-304/79)*

Subject : Dual pricing

What steps is the Commission taking to stop these system of 'dual pricing' of energy and feedstock which the US employs to give an unfair competitive advantage to the US textile industry ?

*Answer*

As the Commission has already stated in answer to a number of Oral and Written Questions, it has investigated in detail the effects of price controls for oil and natural gas in the United States on the European artificial fibres industry.

With the agreement of the Member States, the Commission has requested the American authorities for consultations within GATT to solve this problem without delay. The first discussions are scheduled to take place on 14 December 1979 in Geneva.

As far as the specific question of polyester fibres is concerned, the Commission has decided to introduce provisional anti-dumping levies on certain exports from the United States with effect from 4 December 1979.

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*Question No 41, by Mr MacCartin (H-307/79)*

Subject: Water schemes for Ireland

Is the Commission aware of the confusion caused in the Irish cooperative movement by the manner in which applications for EAGGF assistance to group water schemes are being decided?

*Answer*

Yes, certain problems arose particularly in relation to the renewal of the regulation in question. This regulation now no longer applies. A new proposal on agricultural structures has been submitted to the Council and, if adopted, will allow projects for group water schemes in the least-favoured regions of Ireland, as defined in Directive No 268/75, to receive aid.

In 1969 Ireland received approximately Irish £ 1.9 million under the old regulation of which £ 937 000 were earmarked for 35 group water schemes. These funds were distributed as fairly as possible in view of the fact that the loans were insufficient to finance the large number of projects proposed.

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*Question No 42, by Mr Hutton (H-308/79)*

Subject: Commission proposals appearance in the press

Many important Commission proposals appear in the newspapers before they are communicated to members of this Parliament. Would the Commission give an assurance that it will tell the representatives of the people of Europe what is in its mind before or at least at the same time as the public press?

*Answer*

The Commission seeks to inform the Parliament of major policy proposals at the earliest possible opportunity. When the Parliament is in plenary session, the Commission's policy is to ensure as far as possible that all such statements are made to the Parliament itself. Difficulties naturally arise when Parliament is not meeting. The Commission, however, would be very ready to explore with the Parliament what possibilities there may be, outside the plenary sessions of Parliament, for informing the appropriate Committees of major policy decisions, in advance of information being given to the Press.

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*Question No 43, by Mr O'Leary (H-311/79)*

Subject: The disabled

Would the Commission state what progress has been made on drawing up a directive concerned with the introduction of uniform standards of accessibility to buildings etc. for the disabled throughout the Community?

*Answer*

The honourable Member has repeated himself with this question: he put down a written question on the same subject to the Commission in mid-November (No 1161/79).

The Council in its resolution of 21 January 1974 expressed its political will to adopt measures necessary for the vocational and social rehabilitation of handicapped persons.

On 25 July 1975, the Commission submitted a communication to the Council on this subject (Doc. COM (75) 432 final), which presented the findings of a group of experts. This group set out certain minimum requirements on two levels: simply making normal dwellings accessible to a person in a wheelchair and making them suitable for permanent habitation by a wheelchair user.

The Commission then examined, together with a group of government experts, the possibility of having these minimum standards implemented at an early date in the Member States. An initial analysis concluded that a Community directive would not really be workable, in view of the considerable differences in the legal, administrative, technical and geographical situation in the Member States.

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*Question No 44, by Mr Irmer (H-313/79)*

Subject: Coordination of teaching of European history

Can the Commission indicate what action it is taking to promote the teaching of history with a European slant and, in particular, the provision of documentation and information for, and cooperation among, authors and publishers of school textbooks? In this connection, does the Commission not consider that it should carry out preparatory work with a view to overcoming the obstacles (such as the multiplicity of syllabuses and teaching methods) to the publication of a harmonized comparative European history manual?

*Answer*

The action programme adopted on 9 February by the Council and the Ministers of Education proposed to introduce a European dimension into the experience of children in primary and secondary schools within the Community.

To this end the Commission submitted to the Council in June 1978 a document entitled 'Educational activities with a European content: the study of the European Community in schools'. This document put forward proposals for a number of activities at Community level to back up the initiatives taken in the Member States.

Since then the Education Committee of the Community has studied these proposals and reached agreement on the steps to be taken to further such courses of study in schools. As Parliament was informed in the course of the debate of 16 November 1979, the Commission hopes that a meeting will shortly take place between the Council and the Ministers of Education to study the report from the Education Committee.

As far as the publication of a harmonized, comparative European history manual is concerned, the Commission does not regard this as appropriate in view of the widely differing education systems and the different approaches and usages as regards the introduction of textbooks in the nine Member States.

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*Question No 45 by Mr Caborn (H-314/79)*

Subject: Steel quotas for 1980

In view of the possible increase in steel production in the Community in 1980 can the Commission specify what liquid steel production quotas it will be recommending for each Member State in 1980.

*Answer*

In its proposals to the Council of 9 November 1979 (COM(79) 640 final) on measures to combat the crisis in the iron and steel industry in 1980, the Commission reviewed the prospects for the steel market for 1980.

This review showed a reduction in demand for iron and steel products in 1980 compared with 1979 and, as a result, a reduction in the production of crude steel of approximately 6 million tonnes within the Community as a whole.

The Commission estimates that production of crude steel in the first quarter of 1980 will be distributed over the Member States as follows :

Germany . . . . .	10.79
France . . . . .	5.85
Italy . . . . .	6.15
Belgium/Luxembourg . . . . .	4.76
United Kingdom . . . . .	5.28
Denmark/Ireland . . . . .	0.27
Community . . . . .	34.50

These figures reflect a general decline in production compared with quarterly production trends for crude steel in the Member States in 1979 (Except in those countries where production was affected by strikes, particularly France and Italy).

The Commission has never made a distinction between steel in liquid form and in ingots. The figures quoted above cover both types.

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*Question No 46, by Mr Damseaux (H-315/79)*

Subject : Substitution of the dollar in establishing official oil price

With reference to recent press articles and with reference to the development in recent months on the currency markets particularly concerning the value of the dollar, could the Commission please tell, how it sees the possibilities for and the consequences of the formation of a currency cocktail, a unit of account, to substitute the dollar as a price unit in establishing the official oil price for the OPEC countries ?

*Answer*

The only information available to the Commission on the matter raised by the honourable Member comes from published press reports. No confirmation has been received on this subject.

The use of a 'composite' unit of account or 'basket of currencies' for establishing prices of goods bought and sold in international transactions — as in the case of petroleum products — is possible from a technical point of view. Units of account of this nature do in fact exist, and are used both between public and semi-public bodies and in private transactions. The principal units are the International Monetary Fund's special drawing rights (SDRs) and the European unit of account (EUA), also known as the ECU (European currency unit) since its introduction in the European monetary system.

Until the technical specifications of any new basket unit of account — as referred to by the honourable Member — can be known, it will not be possible to evaluate the probable consequences of its introduction.

*Question No 47, by Mr Albers (H-317/79)*

Subject : Transport problems

Is it true that no study has ever been made at European level of the most suitable routes for combined means of transport and that as a result routes have come into being more or less haphazardly? If so, is the Commission prepared to arrange a full study?

*Answer*

It is not true to say that no research has been undertaken into combined means of transport or that the present routes have developed haphazardly.

In fact there is a well-developed commercial structure in this sector. The Intercontainer company, an integrated subsidiary of the railway companies, is responsible for international rail container traffic. The railways take charge of this type of traffic within the national rail networks, in some cases via specialized subsidiary companies.

International piggyback traffic is managed by a number of companies affiliated to the International Rail-Road Union working in constant cooperation with the railway companies, and adequate facilities exist at national level.

Container transport on the major rivers (Rhine, Rhône, Seine) is currently expanding rapidly.

The efforts made in this sector have resulted in impressive growth in combined forms of transport and considerable demand.

As part of its research programme for 1978-1979 the Commission began a study of the potential volume of traffic which could be generated by a fully-integrated transport system. This study has not yet been concluded.

Moreover, the Commission is considering what measures it could propose to promote the development of combined forms of transport.

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*Question No 48, by Mr Kavanagh (H-318/79)*

Subject: Community legislation relating to health and environment protection 'against the effects of open-cast mining operations'

What directives or other instruments of Community legislation for health protection, minimum standards for safety at work and environment protection are applicable to protect both the workers involved and the local population against the effects of open-cast mining operations, and what sanctions can be applied in the event of such legislation not being respected?

*Answer*

Since 1974 the Mines Safety and Health Commission has been the body that advises the Commission on the drawing up of standards for the protection of workers in all mining industries.

It is made up of representatives of workers, employers and the national mines' inspectorates.

It adopts safety and health regulations which it puts forward to the competent authorities in the Member States. They ensure that these regulations are implemented and report on their implementation to the Mines Safety and Health Commission. If these regulations are not respected, the authorities of the Member States apply sanctions, which can, in extreme cases, mean closure of the works. Thereafter, the problem is referred, via the Mines Safety and Health Commission and the national governments, to the Commission.

The Commission is familiar with the legal and administrative law provisions applied by each government.

Since 1978, the Commission has extended its safety campaigns, under the auspices of the Mines Safety and Health Commission, to open-cast workings. Campaigns are currently being conducted in the United Kingdom, Italy and the Federal Republic of Germany, with the objective of improving and harmonizing national legislation.

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*Question No 49, by Mrs Squarcialupi (H-319/79)*

Subject: Meeting of the Pompidou Group on drugs

Can the Commission inform Parliament of the outcome of the meeting held on 11 and 12 November in Stockholm by the Pompidou Group on drug problems (of which the EEC is a member

along with the nine Member States), in particular as regards the question of liberalizing trade in Indian cannabis?

*Answer*

The Commission attends meetings of the Pompidou Group as an observer and is aware of the latter's view that no steps should be taken to legalize the use of cannabis. The link between the use of soft drugs and hard drugs is still under discussion and even the question of the long-term effects of soft drugs has not yet been fully clarified.

The Commission therefore has no reason to fully endorse legalization.

An informal meeting of Health Ministers was scheduled for the middle of December but this has been postponed as a result of the recent ministerial changes in Ireland. It is possible that the whole question of drugs would have been discussed at the meeting.

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*Question No 50, by Mr Collins (H-321/79)*

Subject: Code of Conduct for multi-national companies

Is the Commission aware of the extent to which some regions within the Community are dominated by multi-national companies, and will the Commission say whether they propose to introduce any legally binding code of conduct to control the activities of these multi-national companies?

*Answer*

The Commission is aware of the particularly important role which certain multi-national or national companies can play in the economy of certain regions or parts of the Community.

In view of the means already at the Community's disposal to establish a legal framework within which the multi-national and national companies can operate in the various areas, such as competition, taxation, industrial relations and company law, there would seem to be no need for the Community to adopt a legally binding code of conduct for multi-national companies. The Commission's proposals in this area and the progress made have been communicated to Parliament by the Commission on a number of occasions, particularly in its reply to Oral Question 7/78 and the report to which this refers.<sup>1</sup>

Nevertheless, the Commission is involved in the formulation of a code of conduct for multi-national companies at international level, since at that level, where there is not the same scope for action as within the Community, there would appear to be a need for codes of conduct to be negotiated. However, there seems little likelihood of a legally binding code being adopted at the present time. This might be feasible in future in relation to certain well-defined areas, such as accounting procedures, once sufficient experience has been gained to allow rules to be adopted which are both unequivocal and generally acceptable.

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*Question No 51, by Mr Oehler (H-322/79)*

Subject: Imbalance of supply and demand on the labour market according to the European Regional Conference of the International Labour Organization

In the light of the report presented by the Director-General of the International Labour Office at the European Regional Conference of the International Labour Organization held in mid-October in Geneva, which states that the imbalance of supply and demand on the labour market is the result of the success of the workers in improving security of employment and protection against dismissal, can the Commission tell Parliament what views it put forward at the Conference, as the statements made by the Director-General of the International Labour Office are calculated to discredit the efforts of the workers?

<sup>1</sup> OJ Annex 231/1978, p 278

*Answer*

The remarks to which the honourable Member objects are to be found in the report presented by the Director-General of the International Labour Office to the European Regional Conference held in October this year.

The Commission representative at the Regional Conference did not comment on these particular remarks but spoke on other problems raised in the report.

I should like to point out that in any case the remarks in question are not the responsibility of the Commission.

The Commission set out its ideas on the qualitative aspects of the imbalance of supply and demand on the labour market in April in a working document drawn up for the Standing Committee on Employment. The trade union, employers' and government representatives on this committee discussed the working document on 9 October 1979 and arrived at common conclusions.

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*Question No 52, by Mr Pearce (H-323/79)*

Subject : Spierenburg Report

Has the Commission solicited the opinions of representatives of its staff on the Spierenburg report ?

*Answer*

The Commission recognizes the need for careful planning and preparation before the recommendations of the Spierenburg report are implemented. No decisions which bear directly on the staff will be taken without a thorough examination of all the implications and full consultation with the professional and staff associations. One meeting has already taken place with the staff representatives and another is to be held shortly about the recommendations contained in Part III of the report, which is at present being studied by a Group of Commissioners.

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*Question No 53, by Mr Beumer (H-324/79)*

Subject : Fixed book prices

The Commission (Directorate-General IV) is soon to present an opinion to the Council on the system of fixed book prices. One of the questions at issue is Article 85 (3) of the EEC Treaty in the Flemish-Dutch language area (exemption).

Does not the Commission consider that cultural as well as economic factors play a part here and is it prepared to give an undertaking that it will consult Parliament before presenting its opinion ?

*Answer*

It is not true that the Commission will shortly present an opinion to the Council on the system of fixed book prices. However, action is being taken pursuant to Article 85 of the EEC Treaty in respect of an agreement between a Dutch and a Flemish association of publishers, importers, wholesalers and retailers of Dutch-language books in the Netherlands and Flanders respectively. Under the terms of the agreement the prices fixed by publishers and importers in one of these countries must be adhered to if books are resold in the other country. The associations concerned have requested that the agreement be exempted pursuant to Article 85 (3). The agreement is the subject of a complaint from a Dutch firm.

While no one can deny that some account must be taken of cultural as well as economic aspects in assessing the book distribution system, in the present case the Commission is required to decide whether the agreement meets the tests of Article 85 (3).

The Commission must follow the consultation procedure laid down in Council Regulation No 17/62, which does not provide for consultation of Parliament. No provision is made for consultation in respect of decisions pursuant to Articles 75 *et seq* of the Treaty of Rome.

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*Question No 54, by Mrs Charzat (H-327/79)*

Subject: Harmonization of petrol prices in the Community

In view of the adverse effect of different petrol prices in the Member States on the attainment of an effective energy saving policy, can the Commission state what policy it intends to pursue to harmonize petrol prices, given that such a policy would lead to transparency of the market and thereby to control of the activities of multinationals and oil companies and also to better control of the Rotterdam market?

*Answer*

A consumer price policy for hydrocarbons based on competition and transparency of costs and prices was advocated by the Council in February 1975.

It was the Council's intention that a policy of this type based on such principles would create the conditions necessary for the attainment of the Community objective of a system of coherent price levels in the Member States.

It was with this objective of transparency and coherence in mind that the Commission introduced the directive of May 1976 setting up a system for collecting and analysing on a quarterly basis the prices of the main petroleum products in the various Member States.

Since July 1979 the Commission has published a weekly petroleum bulletin containing details and comparisons of prices, net of taxes and duties, of the products sold in the various Member States. In addition to possible differences in prices there are also the different rates of taxation on individual products resulting from the various systems of taxation applied by individual Member States. In this connection it is worth remembering that at the end of 1973 the Commission forwarded to the Council a proposal for the harmonization of duties on petroleum products.

The Council has not yet taken a decision on this.

Greater coherence would require similar systems of pricing in the Member States but this would still not eliminate differences which normally arise, for example as a result of the various patterns of consumption. The national approaches to pre-tax pricing of petroleum products are based either on free market principles, government control or a mixed approach involving some legal framework.

It would be premature at this stage to follow this course, although it is the one advocated by the Commission, which reaffirmed its view in its communication of 4 October 1979 (COM (79) 527) on the energy programme of the European Community.

Although the Commission has found a noticeable improvement in the transparency of the market for such products, there are still some differences between price levels.

The question of the control of prices at national level and the system of taxation is the sole responsibility of the national governments.

As far as the Rotterdam market is concerned the Commission is pursuing the study begun last July. A report on the results of this study will be presented to Parliament as soon as possible.

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*Question No 55, by Mrs Lizin (H-331/79)*

Subject: British Leyland — restructuring policy

How, and under what circumstances does the Commission envisage supporting car manufacturers in difficulties, particularly British Leyland — for example, in the form of support for their subsidiaries and restructuring plans — and what instruments does it intend to use?

*Answer*

I. The motor industry is at present in a transitional period in which it must cope with the technical constraints imposed by the economic situation (need to reduce fuel consumption), the greater awareness of the problems of pollution (atmospheric and noise pollution) and safety.

The slowing of economic-growth has also intensified the competition at world level between the various manufacturers.

II. Faced with this situation all manufacturers in Europe and elsewhere are having to make structural and production adjustments to meet problems, the scale of which varies from one firm to another.

The problems facing British Leyland have been made particularly serious by the fact that the group's competitiveness has declined in recent years, notably for the following reasons:

- lack of medium-sized models at a time when this category constitutes the main market segment;
- relatively low investment levels and consistent failure to keep pace on productivity;
- diffuse structure resulting from the merger of several companies to form the group in 1968.

These reasons account for the fact that various European and non-European manufacturers have been able to capture a substantial share of the markets held by British Leyland at the beginning of the decade.

British Leyland has drawn up a very rigorous and far-reaching restructuring plan to tackle this situation involving substantial structural changes which will also affect its foreign subsidiaries.

III. The Community has already made use of the financial instruments available to it on a number of occasions to facilitate the restructuring of the motor industry and British Leyland in particular. Regardless of whether the funds were provided from the ERDF, the ECSC, the Social Fund or the EIB, the Commission has never overlooked the fact that, in addition to problems such as those of regional development or retraining, account must also be taken of the need to help the motor industry to make the necessary changes.

These changes may involve the disposal of parts of firms, amalgamations or even the closure of certain plants, and in other firms the expansion of more efficient production capacity or the building of new factories. Clearly, however, one of the main objectives of the Commission in providing financial assistance in the past and in future is to maintain the Community industry at the high level of technological development which it has reached and to facilitate its transition towards more competitive structures in order to enable it to continue to compete with firms outside the Community.

## SITTING OF TUESDAY, 11 DECEMBER 1979

## Contents

1. Approval of the minutes . . . . .	52	<i>Mr Dankert, rapporteur; Mr Tugendhat, member of the Commission; Mr Dankert; Mr Bangemann; Mr Lange, chairman of the Committee on Budgets . . . . .</i>	81
2. Documents received . . . . .	52	<i>Points of order: Mr Marshall; Lord Harmar-Nicholls . . . . .</i>	82
3. Urgent debate . . . . .	52	<i>Adoption of proposed modification No 1</i>	83
4. Deadline for tabling amendments . . . . .	52	<i>Adoption of draft amendment No 2 . . . . .</i>	83
5. Draft amending and supplementary budget No 3 for 1979 (Continuation): <i>Mr Früh, draftsman of the opinion; Mrs Cresson (S); Mr Barbi (EPP); Mr Hord (ED); Mr Gouthier; Mrs Martin (L); Mr Flanagan (EPD); Mr Bonde (I); Mr Balfe; Mr K. Schön; Mr Forth; Mr Gillot; Mr Petronio; Mr Tugendhat, member of the Commission . . . . .</i>	52	<i>Mr Johnson; Mr Klepsch . . . . .</i>	83
		<i>Adoption of draft amendment No 3 . . . . .</i>	83
		<i>Explanation of vote: Mr Baillot . . . . .</i>	83
		<i>Adoption of the motion for a resolution . . . . .</i>	83
6. General budget of the European Communities for 1980 — joint debate on the reports by Mr Dankert (Doc. 1-581/79) and Mr R. Jackson (Docs. 1-577/79, 1-578/79 and 1-579/79) on behalf of the Committee on Budgets <i>Mr Dankert, rapporteur . . . . .</i> <i>Mr Jackson, rapporteur . . . . .</i> <i>Mr Tugendhat, member of the Commission; Mr Früh, draftsman of the opinion; Mr McCartin, draftsman of the opinion; Mr Normanton, draftsman of the opinion; Mr Colla (S); Mr Klepsch (EPP); Mr J. M. Taylor (ED) . . . . .</i>	66 70 71	10. General budget of the European Communities for 1980 (continuation): <i>Mr Spinelli; Mr Rossi (L); Mr Ansquer (EDP); Mr Bonde; Mr de Goede; Mr Arndt; Mr Notenboom; Mr Møller; Mr Baillot; Mr Maher; Mrs Ewing; Mr Almirante; Mr Motchane; Mr Lange, chairman of the Committee on Budgets; Mr Langes . . . . .</i>	83
7. Urgent procedure . . . . .	81	11. Agenda . . . . .	102
8. Welcome . . . . .	81	12. Urgent procedure . . . . .	103
9. Draft amending and supplementary budget No 3 for 1979 (votes)		13. General budget of the European Communities for 1980 (Continuation): <i>Mr Tuckman; Mrs Boserup; Mr Buttafuoco; Mr Seal; Mr Dalsass; Mr Curry; Mr Petronio; Mr Dido; Mr Pedini; Mr Johnson; Mrs Gredal; Mr Romualdi; Mrs Kellett-Bowman . . . . .</i>	103
		14. Urgent procedure . . . . .	111
		15. Agenda for next sitting . . . . .	112

IN THE CHAIR : MR MØLLER

*Vice-President*

*(The sitting was opened at 9 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 received*

**President.** — I have received from Mr Lega, on behalf of the Committee on Budgets, a report on the proposals from the Commission of the European Communities to the Council for three regulations amending the Staff Regulations of Officials of the European Communities and the conditions of employment of other servants of the Communities — Salary scales (Doc. 202/79), Family and social security matters (Doc. 201/79), Pensions and social security for temporary staff (Doc. 212/79), (Doc. 1-584/79).

3. *Urgent debate*

**President.** — I have received the following motions for a resolution with a request for urgent debate pursuant to Rule 14 of the Rules of Procedure from Mr Collins and twenty other signatories, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the procedure for consulting the European Parliament (Doc. 1-555/79/rev. II).

The reasons supporting this request for urgent debate are contained in the document itself.

I have also received from the Council a proposal for a directive amending Directive 66/403/EEC on the marketing of seed potatoes (Doc. 1-560/79).

The reason for the request for urgent debate is that this directive was intended to allow the continuation of imports of certain seed potatoes into the Communities for a further, final period from 1 July 1979 to 31 March 1980.

These requests will be voted on at the beginning of tomorrow's sitting.

4. *Deadline for tabling amendments*

**President.** — The deadline for tabling budgetary amendments has been fixed at 5 p.m. on 10 December and the deadline for tabling amendments to the report by Mrs Hoff at 6 p.m.

However, since for technical reasons, the text of the reports by Mr Dankert on the draft general budget for 1980 (Doc. 1-581/79) and by Mrs Hoff on the fixing of ECSC levies, (Doc. 1-582/79) could not be distributed until this morning, I propose that the deadline for tabling amendments to these documents should be extended until 11.00 this morning.

Are there any comments ?

That is agreed.

5. *Draft amending and supplementary budget No 3 for 1979 (Continuation)*

**President.** — The next item is the continuation of the debate on the report by Mr Dankert (Doc. 1-580/79) on draft amending and supplementary budget No 3 of the European Communities for the financial year 1979 established by the Council on 29 October 1979 (Doc. 1-470/79).

I call Mr Früh to introduce the opinion of the Committee on Agriculture.

**Mr Früh, deputy rapporteur.** — (D) Mr President, ladies and gentlemen, on behalf of the Committee on Agriculture I have the honour to present to you an opinion on amending and supplementary budget No 3. An introductory speech on this subject was made yesterday evening by the general rapporteur Mr Dankert. He was very critical, and he also voiced certain demands. As you understand the Committee on Agriculture views this situation, which we do not of course welcome, less — if I may put it this way — emotionally, the committee on Agriculture knows that there have been supplementary budgets almost every year so far, simply because it is impossible to make accurate estimates and forecasts in this sector. We of course also share some of the doubts expressed by the general rapporteur.

I should therefore like to make a number of brief comments as the opinion of the Committee on Agriculture on this supplementary budget. It goes without saying that this supplementary budget primarily concerns EAGGF appropriations, simply because the EAGGF accounts for most of this budget as it does of every European budget, since the European agricultural policy happens to be the only integrated policy we have.

On the other hand, it should be explained that own resources must be changed and the estimates adjusted. Thirdly, the appropriations Parliament has already decided to add to make good the damage caused by the hurricanes in Martinique were included in the Guidance Section.

## Früh

Allow me to say something about the first point, the appropriations earmarked for the Guarantee Section. They have been caused by the substantial increase in the export of dairy products, for which a correspondingly high volume of refunds is naturally required. In addition, subsidies have been adopted to promote butter consumption. You all know that we are in a very difficult position here. On the one hand, we of course want to try to adjust the stocks and to pursue a policy which is also in line with the common agricultural policy, in other words, to balance markets as best we can. This pushes us into exporting, which results in refunds, and refunds are costs. On the other hand, this does reduce the cost of storage.

One question needs to be asked — and this was also raised by the general rapporteur — and this is whether it was right and reasonable that an earlier warning should not have been given at the time when this development could be protected, that the Commission should not inform Parliament of the expected financial trend.

Secondly, these increases have come about because the scale of the developments in the beef and veal market could not be foreseen. On the one hand, we had the increase in storage costs, on the other, the fall in prices, which naturally gave rise to the increase in refunds.

Thirdly, intervention in the case of processed products of food and vegetables, particularly tomatoes, has had a more pronounced effect than expected. There is another reason why the Guarantee Section has been increased to this extent: more aid to the consumption of olive oil has been paid out because consumption rose at a faster rate than could be foreseen.

That accounts for what in some cases have been very large increases. I would repeat that we would also have preferred it if the other institutions had been given more complete information at an earlier date on how things were going. But savings have also been made, particularly in the case of cereals, this being made possible by the increase in the world market price, which has made exports cheaper. There have also been savings in the wine sector, because the 1978 grape harvest was relatively small, and savings were made in the case of the monetary compensatory amounts, because it has this year been possible — but unfortunately this trend does not seem to be continuing — to bring the currencies more closely into line. That was perhaps one of the first positive consequences of the monetary system. But at present and for the future things do not look at too good. If we weigh the increases against the savings, 802 m EUA are shown here, and this has been reduced to 702 m EUA. Whether all this can be achieved remains to be seen. At all events the Commission has requested that if the 100 m EUA cannot be made up,

it be allowed to cut its losses from the Guidance Section, from which this amount has not yet been called. That is the situation as I have described it to you. The general rapporteur has made the appropriate comments. The Committee on Agriculture feels that it is difficult to foresee each year all the factors involved — the result of the harvest, the development of the world market, price levels and price decisions, which have also had an effect on the supplementary budget, especially as the price decisions were taken so late this year. But we feel that the alarm should have been sounded earlier. The Committee on Agriculture at least recommends the adoption of this amending and supplementary budget and urges that greater importance be attached in future to the possibility of making forecasts and that even better methods be sought of allowing trends to be recognized in good time.

Despite all these comments the Committee on Agriculture recommends — and this by a large majority, with only two abstentions — that this amending and supplementary budget be adopted without further change.

**President.** — I call Mrs Cresson to speak on behalf of the Socialist Group.

**Mrs Cresson.** — (*F*) Mr President, I have a number of remarks to make about draft amending and supplementary budget No 3 for the financial year 1979.

The Socialist Group is of course aware that many farmers await payments to which they are entitled under the common agricultural policy regulations. We Socialists do not want to see difficulties arising for farmers, particularly those with small and medium-sized holdings, who are not responsible for the very high prices of the products needed in farming or for the commercial policy pursued by the Commission or for the surpluses. We Socialists side with these workers, who face numerous difficulties and whose difficulties are increasing at this time.

Socialists would in fact be failing in their mission if they did not draw Parliament's attention to the anomalies and vagueness discernible in the draft supplementary budget established by the Council on 29 October. I have had the opportunity of speaking in this Parliament against the proposals made by our rapporteur that the appropriations for the Guarantee Section of the EAGGF in the 1980 budget should be reduced. But those proposals were accompanied by other, generous proposals aimed in particular at adjusting the co-responsibility levy to the level of dairy production. These latter proposals, sincerely made by the rapporteur, set out to offset the reduction in appropriations for the Guarantee Section of the EAGGF by easing the lot of the small and medium-sized producers. They have not been retained in the

**Cresson**

Commission's later suggestions, which only goes to show in this type of debate we must keep strictly to the figures. It also reveals the danger — which I have already denounced — of wanting to make a desirable amendment to certain provisions of the common agricultural policy through the budget debate.

Why do we have this amending and supplementary budget? Because the original budget estimates have been greatly exceeded. Of course, this is a common fate for original budgets and we all know that in agriculture estimates are difficult. Nevertheless, an examination of this supplementary budget reveals that advances and payments under the Guarantee Section of the EAGGF began to exceed the estimates by a fairly large margin in May. The Commission did not take a decision in this matter until September, and then it precipitately agreed to a quite arbitrary reduction by 100 m EUA fixed by the Council.

Now, the 1979 budget has been greatly exceeded in one of the very areas in which the Commission plays a fundamental role. I should like to speak about the sale of agricultural products, especially dairy products, on the world market. Some time ago, I protested against the attacks by the right wing of this Assembly, which claimed to oppose the delivery of butter to the USSR. I expressed the indignation felt by many of my comrades at the contention that certain countries are worthy of these exports while others are not. But if it is in fact in the interest of the Community and of its farmers to sell as many surplus dairy products as possible outside the Community, we must ask ourselves about the level of refunds and about the way in which decisions are taken in this respect. The common agricultural policy, one of whose primary objectives is to maintain the farmers' standard of living by keeping Europe independent where foodstuffs are concerned, is not intended as a means of adding to the wealth of the operators who take on these exports. The Socialist Group would like more detailed information on this subject. How is it that the 460 m EUA increase in the supplementary budget for export refunds for butter merits only four lines of explanation from the Commission? How is it that no figures are given on the savings in storage costs as a consequence of these exports? An active and realistic commercial policy should be based on an analysis of the costs and benefits derived from all the Commission's decisions. In some Member States stocks of dairy products have fallen substantially. In others they remain fairly high. The Council's report shows us what each Member State contributes to the financing of Community expenditure. It cannot tell us what is each Member State's share of refund expenditure as such, since the products for which refunds are claimed are not necessarily exported from the Member State in which they originate. But the Commission's decisions on prices and its assessments of the opportunities presented by the world market

are too charged with consequence for Parliament not to demand supplementary information. And if we look at the beef and veal sector, where a 45 % increase in appropriations is proposed, the situation is even more absurd, since there is no surplus in that sector.

For all these reasons, the Socialist Group endorses the observations of the rapporteur on the budget. He requests that the Committee on Budgetary Control obtain from the Commission detailed information on the manner in which the commercial policy is in fact conducted. He requests that the Committee on Agriculture be party to obtaining this information and that it cooperate with the Committee on Budgets and the Committee on Budgetary Control. There must be no confidential information for the budgetary authority when it comes to the Community budget, to which all the workers of the Community contribute and which must not be transformed into excessive profits for the few because of the laxity and inconsistency of the institutions.

If this request is not accepted, if we cannot work with all the facts on the table, you may rest assured that the Socialist Group — and no doubt Parliament as a whole — will be unable to adopt a conciliatory attitude when it comes to voting on the supplementary budget for the 1980 financial year. We are a newly elected Parliament, and we Socialists want the common agricultural policy — which must be discussed in its entirety — to perform the tasks it has been assigned. Because we want the promises made to the farmers to be kept. Because we know the farmers of the Community expect this, that they can expect no more, especially the poorer among them. We shall vote for this supplementary budget. But we ask you to remember the warnings we have given you. Rest assured that the Socialists will not forget them.

**President.** — In accordance with the announcement made yesterday, the list of speakers is now closed. I call Mr Barbi to speak on behalf of the Group of the European People's Party (Christian-Democratic Group)

**Mr Barbi** — (I) Mr President, I should like to express our Group's dissatisfaction with draft amending and supplementary budget No 3. I do so not so much on account of the delay in its presentation. It has been stated that nearly four months elapsed between 22 June, when the decisions of the Agriculture Ministers made these increases necessary, and the Commission's request on 16 October. But, as our rapporteur said, the appropriation providing for exports amounting to 105 000 tonnes of butter had already been exceeded in May. Over the whole year, they will amount to 400 000 tonnes or more. In May, therefore, the Commission no longer had the requisite budgetary cover and ought to have asked for a supplementary budget at once. But this delay is not so much the

**Barbi**

reason for our dissatisfaction as the fact that this budget is yet another illustration of the harmful effects of the export refund system and certain aspects of the common agricultural policy.

Anyone who criticizes those aspects is immediately accused of questioning the whole policy. This was what happened last night when a member, I think one of the Liberals, misconstrued and distorted Mr Dankert's views. If I can be frank, the same thing was insinuated by the Ministers for Agriculture in the telex which was sent to us and read out by the President of the Council last night. It is just not true. We believe in the CAP and value it as the only Community policy so far put into effect. We want it to be a 100 % success so that it can serve as the forerunner and prototype of many other Community policies. And, for these reasons, we cannot avoid drawing attention to its shortcomings and trying to correct them, especially when we see that it is speculators rather than farmers who benefit. However, it is now clear that, despite everything, despite all our criticisms of the Commission and of the Council, despite our dissatisfaction and misgivings regarding some of the harmful effects, we shall finish up by adopting this supplementary budget. And we shall do so mainly because we do not want to do any harm to the farmers, who naturally expect to get what they are entitled to under the Regulations in force. We shall do so also because we are now at the end of 1979 and it is clear that, as the rapporteur expressly declares in his conclusions, his proposal to transfer 46 m EUA to Title 10, that is to say, to the reserve, is intended to ensure a second reading of the budget and, as he puts it, to obtain a full statement from the Commission embodying the reasons for the decisions to increase sales and the possibilities of savings in the future, as well as assurances that decisions which result in budgetary appropriations being exceeded will never again be taken without reference to the budgetary authority.

Obviously, now that we are at the end of the year, this reserve cannot be utilized in a matter of days. So, in the end, we shall vote in favour of this budget. However, I hope it is clear that this does not mean that we approve of the policy of indiscriminately and unreservedly guaranteeing prices for milk and milk products, sugar and so on. As members of this Parliament, we call upon the Commission, as the Community's administrative authority, to take appropriate steps to stop this draining off of thousands of millions and the supplementary budget bears witness to it; we call for appropriate measures to curb over-production and prevent industrial and commercial speculation, which has nothing to do with the farmers, on whatever scale they operate. It was for these reasons that, in the Committee on Budgets, we kept on asking Commissioner Gundelach to meet us and submit his proposals and, quite frankly, we were disappointed and unhappy at his inability to come and explain them to us before this part-session began.

The President-in-Office told us yesterday that Mr Gundelach is, in fact, in Brussels with the Agriculture Ministers launching his package of proposals. And we had read out to us a nice telegram from the Agriculture Ministers containing expressions of 'sympathy' with and of 'understanding' for our preoccupations and suggestions. We are pleased to have the sympathy of the Ministers; we would have been even better pleased if their Finance Minister colleagues had accepted the amendments necessary to convert this 'sympathy' into a policy decision, the consequential economic provisions and the appropriate Regulations; without any of these things we do not know what to make of their sympathy. To enable the Ministers of Agriculture and, more especially, the Ministers of Finance to give some substance to this 'sympathy', I believe Parliament will want to place them under an obligation to reexamine the budget for 1980 and (as was the practice in previous years, but not this year) to agree — in actual fact, Mr President, and not just formally — on the budget entries necessary to implement the proposals which, we trust, Commissioner Gundelach submitted in Brussels yesterday.

To come down to the particular, the point is that, in order to make this amending budget possible, the Council has effected a transfer from the Guidance Section to the Guarantee Section of the EAGGF. This is the exact opposite of what Parliament decided and of the policy of my Group and party. It is no good the Commission pointing out that the funds continue to be available because they have not been used. That is just the trouble: the fact that they have not been used means that no policy was adopted or any adequate administrative and operational steps taken to implement it. It is deplorable that there was no policy enabling these funds to be utilized by firms in need of help and the capital to be put to good use. We ask the Commission to take the necessary action.

I should also like to draw the House's attention to the technical and political point which is the subject of paragraph 5 of Mr Dankert's motion for a resolution, where he emphasized the duty of the Commission to consult the budgetary authority when export refunds reach such high levels and exceed the appropriations available. This is not merely a question of political propriety but of sound management, which should and could avoid the risk of such an outrageous drain on resources.

As regards possible abuses and speculative operations at the expense of the Community as a whole, especially farmers, we join the rapporteur in asking the Committee on Budgetary Control to look into the management of the policy on export refunds during 1979 so that the effectiveness of the policy can be assessed and we can ensure that the level of refunds does not give rise to improper speculation and will now be set sufficiently low to permit economies in future.

**Barbi**

We are grateful to President Jenkins for describing so comprehensively yesterday the action taken by the Commission during 1979 in relation to the agricultural policy from the January proposals, when the co-responsibility levy was first proposed, to the very latest proposals now being made by Commissioner Gundelach in Brussels. He concluded (I thought) with a touch of bitterness but also with a diplomatic, indirect but nevertheless very forceful (and welcome) series of arguments for the benefit of the Council, in which he described the supplementary budget as the cost to the Community of lost opportunities. I think Mr Jenkins is right and I trust the Council (and *a fortiori* the Commission) will contrive to avoid missing the opportunities offered to them and involving the Community in further unnecessary expenditure. Parliament has already made up its mind and left no doubt about its demand for control of Guarantee Section expenditure, an increase in expenditure on agricultural structures, the adoption of other Community policies at the earliest possible moment and the achievement of the economic convergences without which the European Monetary System cannot operate and Britain's hopes of financial equilibrium will come to nothing.

This was the message we incorporated in last month's amendments but it was not understood, nor even listened to. We deplore this, especially as we have not the slightest desire to see the Institutions in conflict with each other. But if this budget is adopted, there must be no mistake about what that means: far from meaning that we are retracting our message, it means that we want to bury the policy of the past. 1979 is over and we want to make a clean break and clear the way for a new policy, for the future and for 1980. What we are concerned with is the budget for the 1980 financial year, in other words, the budget for the future of the Community.

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

**Mr Hord.** — Mr President, honourable Members, first of all I should like to express my appreciation for all the good work that the rapporteur has done for this House in respect of the report on draft amending and supplementary budget No 3 for 1979. We are indeed grateful to him for his perception and intuition which have enabled us to understand, so far as available data permit, the background to the present situation which necessitated the Commission's presenting this document. The draft supplementary budget, and its earlier preliminary draft initiated by the Commission, are possibly the most opaque documentation in our possession at the present time. As a member of Parliament's Committee on Budgets I can confirm that after repeated requests for information on major items of expenditure, this has not come forward from the

Commission. All this at a time when we are told that approval of the application is urgent. Time and again the Committee on Budgets has asked Mr Gundelach to let us know the reasons behind these tremendous expenditures. We made ourselves available last week and the week before, and I am sad to say that he is still not with us, although I understand he is with the Council of Agriculture Ministers.

Many honourable Members of this House will have heard from the Commission representatives that the supplementary budget was entirely due to the actions of the Council of Agriculture Ministers following this year's farm price review. I shall quote from the Commission's draft supplementary budget No 3, on page 5, where they say that the decision taken by the Council on 22 June on agricultural prices gave rise to massive additional expenditure. In fact, virtually the only aspect which requires more funds is the Council's action to increase intra-Community butter subsidies at a cost of 150m EUA. As it happens, the cost of such subsidies could have been paid out of the receipts of sales of surplus cereals on the world market which brought a saving of 300 million units of account. So it could be said that not only was the Commission's statement a gross exaggeration, but it was also incorrect and misleading. Mr President, the nub of this document is not the consequences of the actions of the Agriculture Ministers but the large cost of vast quantities of surplus butter and milk products sold on the world market by the Commission without budgetary cover. Those are the operative words — without budgetary cover. The cost originally entered in the preliminary draft for this item amounted to some 742 m u. a. But this was later reduced to 672 by the Council, over and above the 3 748 m u. a. provided in the main budget. As can be seen, this is a 20 % increase on an already unacceptable level of spending on milk of 40 % of the total Community budget. As our rapporteur has reminded us, the actions of the Commission are such that it is likely that the Guarantee Section of expenditure will have reached 84 % of the total budget by the end of this year. It is perhaps pertinent to mention that if the Commission has its way, the poor Guidance Section of Agriculture will have been brought to a state of virtual non-existence in consequence of the supplementary budget provision to raid that section to the tune of 70 %. How can a responsible institution like the Commission, which is constantly reminding us of the pressure on the limits of own resources, allow export refunds on butter to increase from the main budget estimate of 150 000 tonnes to 410 000 tonnes without any reference to the budget authority? How can these actions square with Mr Gundelach's statement to this House in September when he said that we must pursue this milk policy in such a way as to minimize the burden on the Community budget and maximize control? The reality of the situation is that

**Hord**

the Community does not have a milk policy, and the Commission has precious little control.

The Commission gives the impression of acting with a degree of desperation in dealing with the milk surplus rivalled only by the Sorcerer's Apprentice.

The embarrassment of the butter mountain has led the Commission to indulge in practices without the authority of Parliament, and these will have some most objectionable consequences. We now see that there has been naked dumping of butter on the world market at prices which outrage the housewives of Europe and anger other dairy producers. Who would have thought that our institution would put itself in a position where it could be accused of dumping practices harming other exporting countries? Those who are so ready to criticize the Community's obligations to New Zealand may perhaps spare a thought for the economy, which depends to such a large extent on dairy produce. We hear stories that there have been sales of subsidized butter and dairy products to Russia and Iran. I hope the Agriculture Commissioner can deny them. These, he must know, are something which is guaranteed to raise the emotions of the electors more than the mere fact of selling products of this nature to the Communists. Just think what redundant Peugeot-Chrysler workers in Coventry feel like when, after seeing long-term trade agreements for motor vehicles torn up by the Iranian anarchists, led by the Ayatollahs, they hear that cheap Community butter is being shipped to Iran at the expense of those same car workers!

When, oh when! are we going to get a modicum of political sensitivity and sanity on these matters? In Britain, there is at this time a crisis of confidence in the European Community. The rapporteur has rightly drawn our attention to the shortcomings of this supplementary budget, but whether the money sought is well spent or not, it entails a further 702 million units of account. This is again caused by a surplus of milk, a surplus to which Britain does not contribute as it has a shortfall, and the combined effect before refunds under Article 131 of the Treaty of Accession will be that the United Kingdom will be due to pay some 211 million units of account, or approximately 30%!

I came here to help build a strong and sound Community. But without wishing to seem nationalistic, or anti-Communitarian, it must be appreciated by honourable Members from all Member States the difficulties, in some cases the crises of conscience, that members of this group have when confronted by their electors.

The European Democratic Group considers that the report is a serious indictment of the whole performance of the Commission over the sales of surplus products and its complete lack of consultation with Parliament as the budgetary authority.

In short, the Commission has failed this House. Mr President, the situation that has arisen over this whole issue is very disturbing. Clearly, it requires the full investigation of the Committee on Budgetary Control. Clearly, there is a need for the Commission to operate only when it has budgetary cover. With this situation in mind, and recognizing the financial commitments to the agricultural industry, the European Democratic Group is prepared, albeit with the utmost reluctance, to accept the draft supplementary budget for 1979, subject to the conditions set out in the Committee on Budget's resolution.

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

**Mr Gouthier.** — (*I*) Mr President, on behalf of the Communist and Allies Group, I must emphasize that the debate on this amending and supplementary budget is certainly not an exercise in the technicalities of accounting. In the view of our Group, it has an underlying political significance and is intimately connected with the debate on the draft budget for 1980.

A few weeks ago, a large section of the European Press made a great song-and-dance about this amending and supplementary budget. This was motivated and inspired by the desire of interested parties to attack and discredit the European Parliament which they insinuated was responsible for the delays and the undoubted difficulties which beset farmers and the agricultural sectors. However, the fuss gradually died down thanks to the firm and unequivocal attitude adopted by the Chairman of the Committee on Budgets. All these efforts by interested parties to blame Parliament for the faults of others were, rightly, bound to misfire and the plain, brutal truth emerged and Parliament must take the most careful note of it as the time approaches for consideration of the budget for 1980.

Now that the dust has settled, the first point which emerged is that, in the Community budget, about 85% of expenditure will, under this amending budget, be entered as expenditure in support of the agricultural market. This is abnormal and financially indefensible. It is clear from the amending budget that, as the motion for a resolution points out, it is this system which frustrates and foils any attempt to introduce new and better policies and, moreover, strangles at birth even the most modest attempt to try something new on the subject of Guidance Section expenditure, which is here being sacrificed to keep up prices.

Another serious aspect of the situation is that the increasingly heavy financial burdens affect the working of the Community institutions. The motion for a resolution tells us that Parliament was not alerted in time and was left out of everything. The implica-

## Gauthier

tions of this go beyond a mere impropriety and are tantamount to Parliament being deprived of its powers and basic responsibilities in connection with the budget.

There were expressions of considerable concern and uneasiness in the Committee on Budgets, as, of course, there are in Mr Dankert's Report as well. There were references to dumping, suspected fraud and speculation; there were learned disquisitions on the meaning of dumping and speculation. In discussing this particular amending and supplementing budget, the members of the Committee on the Budget were in the unenviable position of asking for explanations and getting answers which were really not answers at all. This underlines the importance of paragraphs 6 and 7 of the motion for a resolution, in which the Committee calls upon the Commission to provide full and comprehensive explanations and instructs the Committee on Budgetary Control to examine urgently the management of this policy in 1979. These paragraphs reflect suspicions as well as the existence of financial difficulties.

We welcome the appearance here today of the President of the Commission. It is a sign of political sensitivity and a spirit of cooperation but no one can claim that the President of the Commission is cognizant of all the stratagems and operations which were referred to in the Committee on Budgets as speculation or attempted fraud.

While it is true that accident, chance or fate largely determines the course of human affairs, they generally even each other out. In the present circumstances, fate has vented its wrath on Commissioner Gundelach, at the expense of the Committee on Budgets and of Parliament. In the event, neither the Committee nor Commissioner Gundelach was in a position, as they should have been, to come here and explain so much that needed explanation.

In conclusion, there is one point on which we must be clear. The criticisms which have been voiced by the main groups, including our own, are not intended to upset the agricultural policy or to harm the interests of farmers and those who live on the land but to make good the deficiencies of the agricultural policy and to put it on a sound footing for the sake of the farmers and those who earn their living from agriculture, and to prevent speculation. For its own protection, agriculture needs to be thoroughly overhauled in a spirit which recognizes the importance of avoiding waste and extravagance and of ensuring that agriculture develops in parallel with the development of other sectors of the Community's economy. In the Committee on Budgets, the Italian Communists adopted a firm and responsible attitude: firm in that we voiced the criticisms which were called for and we repeat them with the same force here today; respon-

sible because, in our view, the contents of the motion for a resolution fully reflect the need for clarity and for a radical improvement of both the agricultural and general policies of the Community.

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

**Mrs Martin.** — (*F*) Mr President, ladies and gentlemen, the part-session which began yesterday will be almost entirely devoted to budgetary problems, since we are asked to give our views on both the 1980 budget and amending budget No 3.

It is perhaps regrettable that we are obliged to discuss these two budgets in the same week. Quite understandably our Parliament, having been consulted far too late and not wanting to act with undue haste, refused on 19 November to debate the 1979 supplementary budget by urgent procedure. It was completely within its rights to do so.

But in doing this, it took two major risks, which we should not underestimate: the risk of putting the intervention agencies in a situation in which they had to cease payment and the risk of having to tackle short-term problems, in other words the problems of everyday life, from the same angle as medium-term and long-term problems. The amending and supplementary budget does no more than translate into figures compulsory expenditure resulting from existing regulations and the decisions taken by the Council of Agriculture Ministers when they fixed the agricultural prices last June. The hazards of the climate and trends in agricultural markets mean that supplementary budgets have become inevitable. If it refuses to approve it, our Assembly would be putting itself in the wrong as regards Community law. Can we accept the responsibility, Mr President, for a discontinuation in payments in the sectors subject to compulsory expenditure. The agricultural producers who have sold their products into intervention must be given what is their due. Having been elected by direct universal suffrage we have certain commitments to them, which we must respect. The Liberal and Democratic Group therefore shares the view of the draftsman of the Committee on Agriculture, Mr Früh, that this supplementary budget should be approved as it stands. The intervention agencies must be supplied very soon to avoid a situation in which the Governments or the Commission's services are compelled to make cash advances and in which certain countries such as Ireland and Italy are harder hit than others. Moreover, we can but welcome the creation in the Guidance Section of the EAGGF of a new budget line to allow the Community to help with the repair of damage to agricultural areas in the overseas French departments devastated by hurricanes David and Frederick. Unfortunately, Mr President, hurricanes cannot be predicted.

**Martin**

During its September part-session our Assembly adopted a resolution calling for emergency aid from the Community. We must accept that the Commission and Council have acted very quickly in this matter. To repeat an expression used by my colleague, Mr Sabré in this Chamber the day after the catastrophe, 'To give quickly is to give two-fold'. That is how it was. In September a first grant of emergency aid amounting to 1m units of account was made to Martinique and Guadeloupe to restore plantations. But this aid is not enough. That is why it has had to be supplemented, in accordance with the wishes of our Assembly, by a further grant of 12m units of account financed by a transfer of appropriations that had not been utilized in another article of the Guidance Section of the EAGGF. The general rapporteur, Mr Dankert, has tabled on behalf of the Committee on Budgets a number of amendments, one of which concerns refunds on milk and milk products and is a repetition of the amendments which he tabled to the 1980 budget and which were adopted. My group, being consistent, will not vote in favour of these amendments. It once again asserts that the machinery of the common agricultural policy cannot be reformed through budgetary amendments. The general rapporteur again condemns the dairy policy and seems to want to rule out any search for outlets for our dairy products on the world market. Well, personally, I am happy that outlets have been found for 400 000 tonnes of dairy products rather than the 150 000 estimated, especially after Mr Jenkins' statement yesterday that these exports were cheaper than possible efforts to increase consumption within the Community. The Community has a vocation as an exporter of agricultural products, and it should develop this in the future. Agricultural products are among the few raw materials that Europe has. And we cannot be satisfied with self-sufficiency. Moreover, before discussing the common agricultural policy or calling it into question, we should work out what the cost and effect of another policy would have been, and we must never forget that no one can say what world prices would have been if the whole of the Community had operated on the basis of free trade in agricultural products or reverted to the system of national agricultural policies.

Despite what many would have us believe, the agricultural policy is not expensive. It represents only 0.5 % of the gross national product of the Community as a whole and only 1.5 % of total spending by the governments of the Nine. But we do not want to avert our gaze for all that. There is a problem, that of the surpluses. They require a thorough examination. The debate on the 1980 budget which we have had here and which we shall continue this week, will have enabled us to voice our concern at the financial impli-

cations of agricultural surpluses. Changes are needed. But the fundamental principles of the common agricultural policy cannot be called into question. The amending and supplementary budget is something completely different. That is why we cannot follow the rapporteur when he refers to all the deplorable consequences to which a delay in the adoption of this budget would give rise, but not to the fact that those whose task it is to present preliminary drafts and drafts in good time are entirely to blame. We shall vote in favour of this budget because we feel that the producers cannot be held responsible for this situation and should not have to suffer as a result.

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

**Mr Flanagan.** — Mr President, honourable Members, like a lot of others, I am unable to recommend the report placed before us today on the 1979 supplementary budget, though I was much relieved a little less than an hour ago to learn from Mrs Cresson that the Socialists will after all allow this supplementary budget to go through.

The first thing I wish to do is to express my displeasure and disappointment that this matter was not dealt with at the last part-session of Parliament rather than at this once. I fully agree that we as parliamentarians must not be unnecessarily rushed. But at the same time, the request for urgent procedure made to us by the Council was, in my opinion, perfectly genuine, and should have been acceded to by Parliament at the time. I speak for my group in saying that we regarded the circumstances as making it desirable, to say the least, that we should have said yes when we were asked for urgent procedure by the Council.

I join with the other speakers who have strongly criticized the Commission about the undue and unnecessary delay on their part. The delay was so extensive that one is tempted to suspect that its aim was to bring additional pressure on the common agricultural policy an attitude that would be in line with the stated position of the Commission in regard to that policy, and one which I have heard so often and so vehemently expressed on behalf of the Commission in recent months. This House, and indeed the Committee on Budgets, has a right to a full explanation from the Commission. After listening to Mr Jenkins yesterday evening, I was in no way pleased that he used the opportunity simply to hit the ball back into the Council's court. Those of you who were listening to the very able speech by Mr Hord a few minutes ago will have realized that the bald statement that the problems were created by the Council of Agriculture Ministers in July is not true and does not stand up to analysis.

**Flanagan**

But, as I said earlier, much as we are dissatisfied with the delay on the part of the Commission, my group and myself are also convinced that certain Members of this House used the occasion of the presentation of this supplementary budget a few weeks ago for their own ulterior tactical motives. These motives are now manifest in the amendments and in the motion for a resolution now before the House.

I suppose it is quite normal in any society, including one's own personal family society, to revise one's budget from time to time. It is very seldom that any revision of this nature involves a reduction in expenditure, and I would be glad to meet anybody — a Member of this House or otherwise — who, in recent years anyway, has been involved in a re-examination of personal budgetary situations which has meant a reduction, other than an enforced one. It is quite common to have supplementary budgets in organizations, in personal lives, and in this Community. Moreover, this particular additional money arises out of commitments freely entered into by the Community. Indeed, in my view, it is irresponsible in the circumstances that so much delay in meeting these commitments should, for the reasons I have stated, have already been imposed on the people at the receiving end. This is compulsory expenditure, and, indeed, the amount involved is not all that excessive. I would remind you that the Council for its part and in its wisdom, reduced the draft presented to it by the Commission by a hundred million units of account, thereby showing that the Council had a responsible attitude to its work. But Parliament, having already held up payment for a month, now wants to freeze a large section of these funds, an action which will further delay payment on bills that are now long overdue.

As I said, on motive behind these amendments — and this has been stated by several other speakers — is to prevent further payments on agricultural spending. While my group totally disagrees with those particular sentiments. I must point out to the people concerned that they also represent false economy; delaying payments on debts already due, whether for agriculture or for anything else, merely gives rise to further expenditure, the cost of which will have to be borne by who else but the taxpayers of the Member States. Our governments have been forced to raise money which wasn't easy to get. The commercial agencies had to find it, and they had to pay the absolutely penal rates of interest which are common in most countries of the world at the present time, particularly in Western Europe. Who is going to pay the ultimate cost of all this but the taxpayer? And I doubt very much if he will be greatly impressed by this Parliament or the Members who, as I say, for tactical political reasons of their own, have chosen to manipulate this Parliament to reject the request for urgency in the

first instance and to bring forward for discussion today the motion for a resolution and the amendments, which I very strongly urge you to reject.

As well as that, I want to ask you to consider the bad effects our behaviour is likely to have on members of the public. They can hardly be happy about our attitude if, in particular, what we are doing is going to give rise to a demand for further sacrifices by them — and that in circumstances where we are looking for extended powers for our Parliament. I therefore appeal to you to reject these amendments. I am consoled by what I have heard from the other groups in the House.

In his speech last night, Mr MacSharry asked for flexibility; I believe that we will give a favourable answer there. Today, Mr MacSharry will be involved in a reshuffle. I am sure I speak for Members of the House in hoping that he will come back to us, as I believe he will, on the next occasion in a higher status than he left us in last night.

**President.** — I call Mr Bonde to speak on behalf of the Group for the Technical Coordination and Defence of Independent Groups and Members.

**Mr Bonde.** — *(DK)* Mr President, in the view of the Danish People's Movement against the European Community the supplementary budget which Parliament is debating today is of a purely technical nature. The Commission has submitted an estimate of the expenditure to which the Council has committed it, among other things by virtue of the price increase in June. One may or may not be opposed to these — the price increases — but one cannot be opposed to the entry in the budget of expenditure that has been agreed to, when farmers and others are entitled to the release of this money. Mr Dankert's idea, it seems to me, is like taking hostages. We are to take innocent farmers and others who are entitled to their money and use them as hostages to force the Council to adopt other decisions. Now, I cannot say I approve of the taking of hostages in any context, but if we must take hostages, why don't we take those responsible — and those responsible in this instance are the nine Agriculture Ministers of the Member States. Why not go home to our own parliaments and compel our own governments to get other farm policy decisions adopted in the Council? Why should Danish farmers, among others, be used as hostages for something for which they cannot be held responsible? We fail to understand this and we wish to protest at this idea of holding a pistol to the Council's head for the sole purpose of giving Parliament influence over Community legislation, which, according to the treaties, is vested in the Council.

The People's Movement does not wish to be involved in legislating on the budget. The Commission has merely done what the Council has asked it to do.

**Bonde**

Even though the Commission should have submitted the supplementary budget somewhat earlier and even though we are still entitled to more information on what the money is being used for, I fail to see what else the Commission should have done. Should it rebel? Should it refuse to implement the decisions which the Council has instructed it to implement? The People's Movement cannot support Mr Dankert's proposal. We shall abstain from voting to demonstrate our belief that control over the Community's purse-strings should reside, not in this Parliament, but in the Council, where Denmark has a right of veto and where it is therefore the national parliaments — in our case the Danish 'Folketing' — that have the last word.

**President.** — I call Mr Balfe.

**Mr Balfe.** — Mr President, we are today debating what is called the third amending and supplementary budget, but what to a lot of taxpayers in England is yet another demand from a system which is probably more out of control than any other financial system in the world, the Common Agricultural Policy. This policy has almost reduced itself to a joke, because it appears to gobble up money with no net benefit whatever to the consumers and the voters of Europe, apart from a very small group of them.

We read in the report today that the Council of Agriculture Ministers in June cost 200 m EUA or 130 million pounds. That is on page 9 of Piet Dankert's original draft report. However, what I want to concentrate on today is the most expensive item in that report, the one that has probably caused more controversy in Britain and in many other Community countries than any other item of the CAP, and that is the cost of the butter programme. Within this budget, we find that opportunities for sales arose which enabled an extra quarter of a million tonnes of butter to be disposed of a cost of 300 million pounds. 300 million pounds for a quarter of a million tonnes of butter! That is the subsidy aspect of it. Just to put it into perspective, I worked out that if you took a quarter of a million tonnes of butter, this butter that an opportunity has arisen to dispose of, you could actually give 20 packets to every citizen of the United Kingdom. Alternatively, if you were so minded, you could lay them round the Equator end to end four times. We are talking about a vast amount of butter that is kept in stock. That is only the 250 000 tonnes that has been disposed of; we also find that there is a further 600 000 tonnes still in stock.

Now what I would say to this House is this. Are we going to carry on for ever presiding over a lunatic policy which is producing goods that no one wants and no one can sell? Are we going to carry on with the butter fiddles which we know are going on around Europe? Piet Dankert has this morning given me an

example, which he himself was given only this morning, of some British butter which was apparently exported via the Netherlands to Romania and has now turned up again in Germany. This is not just the first fiddle, this is one of many fiddles, and what we want the Commission to do is firstly to permit a full investigation into its butter disposal policy within the EEC. We are not getting at countries, we want to know which individuals are benefiting. We want to know where the red butter barons are and we want to run them to ground because it is not acceptable to us, and here I speak of us Socialists, that speculative profits should be made out of butter at the cost of the taxpayers of Europe.

We are hearing a lot from Mr Flanagan and others about guarantees that have been entered into and have got to be honoured. Let me say this — it is very easy to write out guarantees, but they only last as long as the money lasts. Are we seriously saying that this open blank cheque of an agricultural policy has got to be honoured all through next year's budget. Are we seriously saying that, whatever the cost, the taxpayers of Europe have got to find the money, that this Common Market cannot control agricultural expenditure and is unwilling to control it and that, whatever the bill presented under the Treaties, we are going to honour that bill.

What I would say to this House, Mr President, in conclusion is that the Common Agricultural Policy has become a farce. If we do not sort it out it will destroy the Community.

**President.** — I call Mr Schön.

**Mr K. Schön.** — (D) Mr President, ladies and gentlemen, I should like to take issue with the previous speaker for saying that there might be some Members of this House who want to prevent payments that have to be made. On behalf of my group I should like to say that we are very well aware that supplementary budget No 3 forms part of the 1979 general budget and that there are, of course, enforceable legal claims against the Community, which must be met. But this in no way alters the fact that Parliament, as part of the budgetary authority, is not simply a body which approves proposals. However justified this successful agricultural policy may be, this part of the budgetary authority has not yet received an explanation for the excesses which have been annoying not only Members but also, and in particular, our constituents and taxpayers for some considerable time. After all it would have been easy to give a satisfactory answer to the questions that have been raised in the Committee on Budgets, for example, and for some time now by this Parliament.

Above all I should like to point out to the Commission that it is we who have to deal with the lack of understanding of our citizens every week. How are we

## Schön

to explain to them that although the European agriculture market offers a tremendous range of foodstuffs — that cannot be disputed — butter is nevertheless being exported. I am referring to the 240000 or so, to which the taxpayer has had to contribute about DM 4.70 per kilogram. These are inconsistencies and excesses which in all seriousness are resulting in the only Community policy becoming an annoyance for Europe rather than a basis for progress towards European unification.

Those are the concerns that we must express here although I am aware that this disquiet in itself creates a link between the supplementary budget for 1979 and the 1980 budget. If we of the EPP — and I am now quoting Mr Jenkins — approve this supplementary budget without any joy in our hearts, we do so only because we do not want to see policies made at the expense of those directly concerned, who, as I have just said, have legal claims. If we approve the supplementary budget, it will also be because it will provide enough funds to make it possible — should this House reject the 1980 budget — to continue on the month-to-month basis without our agricultural sector suffering unnecessary disadvantages, until the budget has been restructured as Parliament has requested. The agricultural policy must restore that balance we need, so that a balance can really be achieved in the European Community's general budget in the years to come between the agricultural sector and all the other policies that we intend to introduce in the interests of convergence.

Those, then, are our views on supplementary budget No 3, which we must approve without, I must again stress, any joy in our hearts, because we are in a very difficult position.

**President.** — I call Mr Forth.

**Mr Forth.** — Mr President, there is a Russian proverb which says: 'When money speaks, the truth stays silent'. My great fear is that today we are witnessing just this occurring. We have heard a lot of speaking from the money; we haven't too much of the truth. I am sure we all hope very much that, as a result of the initiative taken by Parliament and by the rapporteur of the Committee on Budgets the truth will eventually emerge in this debate. But it is, Mr President, some what like drawing blood from a stone at this stage, and one hopes that we will see some more rapid progress very shortly.

This group could think — and has thought — of three very good reasons for rejecting the supplementary budget altogether. The first one is that we are unhappy about the whole principle of supplementary budgets. As has been touched on already today the question is: how can a budgetary authority such as this Parliament exercise its authority on behalf of the electorate when it initially passes some expenditures

which are then exceeded by the other institutions of the Community without further reference to this Parliament? So long as the principle and practice of supplementary budgeting continue, Mr President, our fear is that lack of control and accountability will also continue. This very debate today on the budget is a classic illustration of the weakness in budgetary control which is demonstrated by the practice of supplementary budgeting. The situation is made worse when the expenditures in excess of the original approval are incurred unilaterally by one of the institutions, which only comes and asks for approval long after the event.

Our second concern is with the reasons for this specific supplementary. This group, as you will recall, Mr President, took a very clear view in an earlier sitting on the exports of subsidized milk products, particularly to the Soviet Union. We made our displeasure with this crystal clear to all concerned. Yet here we are again discussing this very same matter; the figures are now worse than they were then and appear to be getting worse still. We are unhappy about what has given rise to this budget. We hear of exports to the Soviet Union, possible exports to Iran; and, of course, there are persistent press reports that some of the monies which have been made, my Socialist friends would say by speculation, call it what you will — as a result of these transactions find their way into the coffers of, for example, the French Communist Party. We have a tangled skein of problems here which involves subsidized sales to the Communist States, of which we do not approve, and funds going directly from the European's taxpayer's and consumer's pocket to the French Communist Party. I certainly don't believe that that is a particularly clever way of doing things.

These, Mr President, are precisely the sort of thing that this group wants the Commission to come to us with clear answers on: what they know about it, what they propose to do about it, and how they propose to exercise greater control over this on behalf of the people of Europe.

The third reason we can think of for rejection, Mr President, is quite simply that this supplementary budget pushes yet further and yet higher the percentage of the total Community budget represented by the common agricultural policy. However, having said that, we are very much aware of the contractual obligations that the Community has, particularly to the farming, sector. Here I have to disagree with my Socialist colleague who spoke some little time ago; we cannot simply brush these obligations aside. We are aware that when undertakings are given by this Community and by its institutions, the farming sector has plans and expectations based on these undertakings, and these must be honourable. This group is not in the business, Mr President, of reneging on previous

## Forth

guarantees. However, we do acknowledge that the supplementary budget reflects the past, and we are more concerned with the future. We do deplore the results of Council decisions and of Commission action. But we are prepared, in this case, to support the report produced by the rapporteur of the Committee on Budgets, because we feel that in that report we have a balanced view where we call to account the actions of the Commission in this case.

The matter has been raised by many colleagues this morning as well as myself, but this group is prepared, provided that we receive satisfactory — and I repeat, Mr President, satisfactory — answers from the Commission during this week, to support the passing of the supplementary budget. We call for an end to the way in which Agriculture Ministers have dominated the financial affairs of this Community, and we call for some procedure to be worked out whereby this is no longer the case. We call for the reassertion of the control of this Parliament over the Commission and over the finances of the Community, and for the use of the budgetary procedures for the good of the people of Europe.

I will finish, Mr President, with an English proverb, since I started with a Russian one. That proverb says: 'A full cup must be carried steadily'. Our hand is steady, and this Parliament's hand is steady, Mr President. Let us remain unshaken in our determination to make sure that the spillage stops.

*(Applause)*

**President.** — I call Mr Gillot.

**Mr Gillot.** — (*F*) Mr President, in tackling the first major item of our December part-session, in other words supplementary budget No 3/79, we are setting out on a 'grand spectacle' of a part-session in several acts, of which this is the first.

From the outset I should like to appeal to this Assembly to act with care, since 'grand spectacles' are not always the best recipes.

The Council has forwarded to us a supplementary budget which includes 700 m EUA for the milk sector. Without any doubt we have good reason to direct numerous reproaches at both the Council and the Commission — for the delay with which this supplementary budget, the need for which has after all been foreseen for some time, has been presented to us, for the lack of flexibility the Commission has shown in changing the level of refunds and for the lack of success in overcoming the problems in the dairy sector.

However, for various reasons we feel that none of this justifies the risks our Assembly would be taking by causing a great deal of to-ing and fro-ing. To begin with, the amendment and proposed modifications tabled by Mr Dankert, who, incidentally, finds it easy

to agree to the classification of expenditure in the circumstances, appear superfluous to us.

For example, the proposal that 460m EUA should be transferred from the article headed 'Refunds on milk and milk products' to the reserve is really absurd.

The only justification for a supplementary budget is that the appropriations entered in the general budget for the financial year concerned have proved inadequate. It is in no way forward-looking like the general budget. There is therefore no sense in proposing that some of the appropriations required in the immediate future should be blocked in the reserve, unless there is a well-defined strategy, which is the case.

Amendment No 3, which calls for a revision of the intervention procedures for beef and veal, serves no purpose since the Commission has undertaken to do this.

I should now like to take up the question of the transfer of 100m EUA from Title 8, 'Guidance Section of the EAGGF', to Title 6, 'Guarantee Section of the EAGGF'. This proposed decision No 2, termed an 'amendment' by the rapporteur, leads me to make two observations, one on the essence and one on the form of the matter.

As regards the essence, it is not absolutely necessary to resort to such transfers through the supplementary budget. The normal transfer procedure is quite adequate. The Group of European Progressive Democrats is in favour of a transfer of 100m, but by means of the normal procedure, because supplementary budget No 3 must not be at stake in a battle over the common agricultural policy as the general budget of the Community for 1980 already is.

As to the form, the rapporteur presents this proposal for a decision as an amendment, even though it concerns compulsory expenditure.

Of course, the Assembly's position has, like the Commission's, developed where the classification of Guidance Section expenditure is concerned, and certain chapters concerning individual operations are considered as non-compulsory expenditure, on which the Assembly has the last word.

But this Assembly has never decided, no more than the Committee on Budgets, that all Guidance Section expenditure should be non-compulsory, as the rapporteur is doing. No vote whatsoever has been taken on this point.

In a working document subsequently annexed to the report the rapporteur has proposed that the classification of the whole of the Guidance Section of the EAGGF should be changed. He is thus allowing himself to make it the law of this Assembly, but nothing, not even technical factors, justifies a position of this kind.

**Gillot**

When you no longer have right on your side, when you step outside the procedures, the way is open to every kind of abuse.

It is quite clear that the strategy adopted is a crisis strategy aimed at leading this Assembly towards becoming a constituent Assembly.

The Group of European Progressive Democrats, which is in favour of the adoption of the supplementary budget at its first reading, will therefore vote against the amendments and proposed modifications, which serve ends that we condemn and for which some people would not hesitate to sacrifice the natural interests of farmers.

**President.** — I call Mr Petronio.

**Mr Petronio.** — (*I*) Mr President, I merely wish to announce that my colleagues and I of the Italian Right will not vote for this supplementary budget, which has been put before us after such considerable delay. It has, as someone said, some good features in that it suggests the tactics to be adopted for dealing with the 1980 budget and runs counter to some of the agricultural community's expectations. Unfortunately, it has serious weaknesses, such as the enormous time it has taken; and the section dealing with the notorious problem of surpluses merely scratches the surface of a disgraceful situation. It is a disgrace in economic terms because this pernicious system of export refunds, in butter for example, triggers off a process of aid for products like butter which, although not, perhaps, spread on Soviet bread, is, in a manner worthy of Baron von Münchhausen, used to cover and protect Soviet missiles.

There are, moreover, imaginary surpluses which actually give rise to fraud. I refer to the case of milk powder which comes into the Community across the East German frontier, which no one may cross with impunity but is crossed without difficulty by tonnes and tonnes of this stuff. Milk powder received a bonus which, until yesterday, was no less than 90 % for swine and poultry feed; although this subsidy has been stopped, milk powder still gets a 50 % subsidy for calves' feed. But, as we shall see, instead of being used for the purposes for which it was subsidized and supported, it was fraudulently reconstituted and once more became milk for the production of cheese at 50 % lower cost, with the result that it competed unfairly against regular and law-abiding producers.

Those are the grounds on which we are making use of our prerogative here to propose that there should be a clear and concise Community directive bringing the very different legislative provisions in the various Member States strictly into line with each other. We propose the use of a detector which will not denature the product but, because it contains a modest amount

of starch and a drop of iodine, will allow litmus paper to show that the substance is not natural milk but milk which has been fraudulently reconstituted and re-processed. The detector ought to form the basis of well thought-out legislative policy for the sector and prevent the product from being changed back into the raw material and back again into a processed product. It would prevent the milk from receiving an unwarranted subsidy twice over and the subsidy from being guaranteed and supported, as it is at present, by the introduction of a co-responsibility levy at the expense of those who never over-produce or want to do so and, in any case, have no intention of becoming involved in fraudulent operations or improper speculation.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, I will seek to answer some of the questions and deal with some of the points raised in the debate.

In his speech yesterday, the rapporteur raised a number of important questions, and during the course of the debate today other honourable Members—I think perhaps particularly Mrs Cresson and Mr Hord — have also put forward a number of points which are simultaneously very detailed but of a highly political nature.

My colleague, Mr Gundelach, cannot, unfortunately, be here today, but I know that he will want to respond to these points on Thursday, during the second-reading debate, if there is one, on the supplementary budget. I have taken particular note of the agricultural matters which have been raised, and these, of course, are the points on which he will concentrate; and I think that, from some of the remarks made during the speech, it is the wish of the House to hear him personally rather than me, although we are, of course, a college.

Before turning to the specifically budgetary points, I should, however, like to make one reference to a speech by Mr Flanagan, who regrettably is not here. I must say I really thought it was not entirely fair of him to accuse the Commission of seeking to suborn the Common Agricultural Policy in bringing forward a supplementary budget of this kind. Indeed, I should have thought that the reverse was the truth, and some of the criticisms which we have received from other parts of the House suggest that that is so. What the Commission is trying to do, of course, is to remove some of the distortions which are at present disfiguring the agricultural policy in order to maintain it. To make the sort of accusation that Mr Flanagan made is tantamount to accusing a doctor who is trying to cure a patient of seeking to kill him; and I really think that it does not add to the good sense of our debates if misunderstandings of that sort are allowed to pass unnoticed.

## Tugendhat

So far as the specifically budgetary points raised by Mr Dankert are concerned, it would be right for me to underline the important point he made when he said that it would not be appropriate to reject the supplementary budget, because it would be the farmers who would suffer. As the House will be aware, there is now little time left to make the payments which are outstanding before the end of the year, and I am bound to say in this connection that I think the use of Chapter 100, in view of the very limited amount of time at our disposal, is not altogether helpful.

A great deal of attention was paid by the rapporteur, but also by other speakers, to the question of transfers. This is not the first time that the Parliament has complained about the fact that the Commission makes transfers on its own authority within agricultural chapters. In doing so, the Commission is, of course, acting entirely within the Financial Regulation, and the need for such transfers to take place relates to the more important problem, also referred to by Mr Dankert, concerning the validity of agricultural estimates, a point to which I shall now turn.

Both Mr Früh, who spoke first this morning on behalf of the Committee on Agriculture of the Parliament, and Mrs Martin, who is also not here, emphasized the very great difficulties facing those people who are required to make agricultural estimates; and certainly, given the uncertainties of the weather, given the uncertainties of international markets, it is not easy to make forecasts. Moreover, an additional problem in the case of the Community is the length of the budgetary procedure: the Commission is obliged to make estimates in certain cases well over a year and even eighteen months before expenditure actually takes place. So when the Commission gets it wrong — and I certainly would not wish to claim that we have an outstanding record for getting these matters right — it is not out of negligence but because of the inherent difficulty of the task. Certainly we shall seek to do everything we can to improve our methods, but the length of the budgetary procedure, coupled with the other uncertainties to which I have referred, does make this extremely difficult.

The Commission is obliged to manage certain markets characterized by products which are in continuous surplus. When, as a result of price increases granted by the Council of Ministers, a further stimulus is given to production, the problem of making accurate estimates faced by the Commission is significantly increased. We are, however, not able to abandon our management responsibilities and are obliged to carry them out within the existing legislation, even when we disapprove of the decisions taken by the agriculture ministers.

The responsibility for obtaining a better relationship between market policy and its financing must be shared by all the Institutions, not least by the Council, and I think that some of the criticism which has been directed to the Commission during the course of this

debate, though wholly understandable against the backdrop of the exceedingly unsatisfactory situation that we face, ought, I felt, to go somewhat wider and to bear in mind the fact that the Community is made up of several Institutions and not simply one.

That having been said, I wonder if the particular example cited by Mr Dankert is a particularly good one. I am sure he is not saying — at least, I do not think he is saying — that in any given situation, because budgetary estimates are proving conservative, the Community should therefore regard itself as precluded from taking advantage of a market opportunity such as occurred in relation to butter this year because to do so would cost money in excess of the original estimate. As I say, I do not think he is saying that it is wrong to seize an appropriate market opportunity which enables the Community to reduce surpluses. We do, I think, all agree that simply stocking surplus products is no solution to the problems of the Common Agricultural Policy. Indeed, as a result of the reduction in surplus milk-powder stocks, the opportunity for improved market management is now much greater — a positive situation on which the Commission will seek to build. As a general matter, however, we need the assistance of the other Institutions in ensuring that the agricultural policies the Commission is expected to execute remain stable. In a nutshell, the real problem, of course, comes from the surplus production and some of the policy decisions taken which have added to the surplus production. The way in which one deals with the surpluses, the result of the excess production, is a subordinate matter to actually tackling the problem at its roots, and until we can bring down some of the surplus production we shall continue to be plagued with surpluses.

Finally, on this matter of appropriations being exceeded, I would like to repeat that the Commission adheres to the undertaking given in 1975, by Mr Cheysson, my predecessor as Budget Commissioner, that when there seems to be a risk of this happening the Commission would consult the European Parliament through its competent committees before taking any decision likely to have political repercussions or financial consequences exceeding the normal budgetary framework.

Mr President, Parliament has reminded the Commission in its resolution that it is entitled to information concerning the execution of payments. This was a point made by a number of speakers; Mr Forth was the last person of several to refer to that particular point. It is said in the resolution that before the end of the first six months of this year, the Commission should have alerted the budgetary authority to the probable exceeding of the appropriations. The reports on the financial situation of the Communities are, of course, produced quarterly in accordance with the Financial Regulation. In the report dated 30 June 1979, the Commission not only indicated the level of expenditure in the first four months, but also set out

## Tugendhat

quite clearly Member States' estimates of payments for the subsequent three months as well as the advances which had been authorized for the first seven months. It is therefore not right to say that the Commission has not alerted the budgetary authority to the situation. We said at the time :

These figures suggest that the 1979 appropriations will not be sufficient, even though the rate of payment may slow down.

Parliament may feel that though this information is compiled at the right moment, too long a time elapses before it receives it, or at least before Members receive it.

I agree there is a problem here, and I am looking urgently into what can be done to improve the speed with which these reports are produced for the use of the institutions, without, however, sacrificing the accuracy of the information they contain and thus their utility. It will, of course, require the cooperation of the other Institutions and indeed of the Member States if we are to succeed in speeding up the information process.

I think it is fair to say that greater transparency lies at the root of some of the problems we are currently facing concerning Community expenditure in general : this is a matter to which the Commission intends to devote greater attention in future, and it is quite clear from a number of speeches that that is the wish of Members of Parliament. Not only must our monitoring of expenditure be tackled, but those who need to know how the situation is developing must in future have a greater awareness of it.

Mr President, I am grateful to you for giving me the opportunity to sum up. As I say, I have dealt with some purely budgetary points ; if there is a second reading, then my colleague, Vice-President Gundelach, will be here to respond to the specifically agricultural points, which though detailed, are undoubtedly of substantial political importance.

**President.** — The debate is closed. The draft amending and supplementary budget and the motion for a resolution contained in the Dankert report will be put to the vote at 3.00 p.m. this afternoon.

### 6. General budget of the European Communities for 1980

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

- the Dankert report drawn up on behalf of the Committee on Budgets (Doc. 1-581/79) on the draft general budget of the European Communities for 1980 (Section III — Commission) as amended by Parliament and modified by Council, and on the total rejection of the 1980 draft budget.
- the Jackson report drawn up on behalf of the Committee on Budgets on the outcome of the Council's deliberations on the amendments adopted by the European Parliament to

— Section I — Parliament — Doc. 1-577/79)

— Annex I of Section II — Council : Economic and Social Committee (Doc. 1/579/79)

— Section V — Court of Auditors (Doc. 1-579/79).

I call Mr Dankert.

**Mr Dankert, rapporteur.** — (NL) Mr President, it has been no easy task in the past few months to reconcile the monetary priorities of the various committees of this Parliament and of the political groups with what Parliament's Committee on Budgets considered responsible in budgetary terms for 1980.

The Committee on Budgets has not always been a popular committee. I therefore quite sympathize with the bitterness felt by committees, such as the Committee on Development and Cooperation, at the limited ability of the Committee on Budgets to meet politically quite legitimate requests for an expansion of aid to the Third World. But the Committee on Budgets felt that in view of the financial and economic situation in the Member States and of the impending exhaustion of the Community's own resources, we should adopt a modest attitude in amending the draft budget for 1980. It has therefore appealed for level-headedness, and a qualified majority of the Members of this Parliament largely adopted this approach on 7 November with respect to non-compulsory expenditure. One consequence of this was that Parliament retained some room for manoeuvre within the margin which the Treaty provides for payment appropriations involving non-compulsory expenditure. The maximum rate of increase set by the Council for commitment appropriations has, of course, been well and truly exceeded, but I will try to explain why it was exceeded.

I would merely point out that in comparison with its non-directly-elected predecessor the directly-elected Parliament has displayed a humility which many have described as unusual, but which may at the same time serve as evidence of its willingness to act as a responsible part of the budgetary authority. The proposed modifications adopted by Parliament to compulsory expenditure were equally moderate, left the political responsibility for the agricultural policy where it is and in no way tampered with the principles of the agricultural policy laid down in the Treaty of Rome.

When I heard the first President of the Council speak on this subject yesterday, a tear of emotion almost came to my eye over the large measure of harmony that exists between the Council and Parliament in this respect. But as we all know, on days of great reconciliation, wars sometimes break out.

Parliament's budgetary proposals were balanced, cohesive and modest. Neither the Council nor the Commission has denied this or will want to deny it. The friendly atmosphere prevailing during the concili-

## Dankert

ation meetings, to which Mr MacSharry also referred yesterday, was entirely due to this. What the President of the Council said yesterday implies that the Council feels or felt that the approach adopted by Parliament towards the 1980 budget was not aimed at confrontation. I cannot interpret it in any other way, and this is also true of the aspects on which the Council and Parliament were not able to agree.

I am referring to the proposals for the budgetization of loans and for the inclusion of the EDF in the budget.

As regards the budgetization of loans, the Presidency of the Council has said that a compromise between the Council and Parliament may be possible by the end of the year as part of the review of the Financial Regulation. The end of the year is approaching, but there is no sign of the compromise, and so it all depends on the Council. As regards the EDF, there was a 1975 Council undertaking that fruitful consultation would take place in 1980, and although we are used to this kind of delaying tactic by the Council, no one in the Committee on Budgets could understand why, even with an unfortunate key for the distribution of Member States' contributions, it should be impossible to budgetize the European Development Fund this year.

This Parliament has therefore shown its goodwill. The Commission recognizes this, as does the Council, and our stand on 7 November caused just as little agitation in the media. And yet we find ourselves this week in an atmosphere of confrontation. A confrontation which the Council of Budget Ministers sought on 23 November. For sound reasons? I most seriously doubt it. The Council, which is assumed to have dealt with the amendments individually, has only very exceptionally been prepared or able to give sound reasons for rejecting the amendments. For the rejection of the vast majority of the amendments there is no proper justification at all. In some cases the Council refers in the reasons it gives for rejection to the Commission's proposals in the preliminary draft. In some cases it suits the Council better to refer the Commission and Parliament together to a lack of responsibility, advancing no arguments other than that it decided something on 11 September, again without a more detailed justification. In some cases, it completely agrees with Parliament and the Commission.

But the manner in which this agreement is expressed frequently defies down-to-earth analysis. Then again payments and commitments have been increased on a *pro rata* basis although according to the views expressed by the Council in September and in Parliament's view there was no reason to increase payment appropriations. Then again, payment appropriations have been increased, even though commitments entered into in the past and to be entered into for 1980, considering the state of the Community coffers,

do not give the least cause for thinking this is necessary. In short, the Council's thinking has certainly not been sound. And this, I would ask you to note, is the Council that feels it should give Parliament some advice. According to the Council document of 27 November the Council feels Parliament should consider the following increases for 1980. Commitment appropriations: Regional Fund + 165m, Social Fund + 50m, energy + 5.2, research + 3.545m, development aid + 21.25m, miscellaneous 710 600. A total of something over 245m. And with the 9.5m for the other institutions, this produces the magnificent result of 255m units of account, to the penny, the margin for commitments to which, according to the Council, Parliament is entitled.

The policy the Council proposes to adopt at the second reading is thus the very policy that fits in with Parliament's margin. I have never experienced anything so strange. Because it is quite clear that the Council is pretending that it is suggesting something to Parliament, but according to the Treaty it is not for the Council to suggest, it is for the Council to decide. The Council has therefore decided to add 255m in commitment appropriations to its draft of 11 September. And I repeat, that is exactly Parliament's margin.

And where does that decision come from? That too, I feel, is clear. Because of the refusal by the Federal Republic, France and Denmark — I refer in this respect to the minutes of the Council Meeting of 11 September — to increase the margin for payments or commitments, the Council has simply used Parliament's margin to solve its own internal problems. Mr MacSharry tried to deny this yesterday. We have been guided by priorities emerging from this Parliament, he said in connection with the Council decision on the Regional Fund. How can the Council know what Parliament's priorities are? Parliament did adopt a large number of amendments on 7 November, but they in no way indicate a sequence of priorities. The priorities the Council has chosen are therefore the Council's priorities. They cannot be Parliament's priorities.

But that is not the only thing. With its division of the 255m the Council helped us to get into deep trouble. Thanks to the Council's decisions of 23 November a minority in Parliament can ensure that the majority of this Parliament, which has the last say on non-compulsory expenditure, submit to the Council's decision. I recall that in some discussions it was said that Parliament had complied with this procedure for compulsory expenditure and that some Member States were extremely incensed about this, at least if the press reports are to be believed. But the Council is using exactly the same method with respect to Parliament, and well may it do so, because that means, as it were, choosing Parliament's priorities.

## Dankert

This is a strange procedure, and I have no sympathy with it at all. All I can say is that if the Council's game with non-compulsory expenditure has as little success as Parliament's with compulsory expenditure, we are stuck fast in the budgetary procedure. And I am inclined to feel that we are in fact stuck fast at that point. After all the Council did put Parliament in this position on 23 November, as a result of which it can do only two things. It can reverse the Council's amendments by carefully fixing the priorities within the margin of 255m and so leave the Council again to its own fundamental lack of harmony. Or Parliament can decide to regard the Council's decisions as Council decisions and approve them by deciding by a qualified majority on an increase in the margin for commitments by 255m units of account. The latter approach would appear to me to be the most obvious, because Article 203 of the Treaty leaves no doubt that Parliament has its own margin.

This approach implies that the Committee on Budgets is not convinced that the margin problem is so serious or occupies so essential a place in the overall budgetary proceedings as the Council would have us believe. Article 203 is clear: it refers only to payments, because that was the primary concern of the Finance Ministers of the Member States when they were drawing up the Treaty. The agreement reached by the institutions in December 1977 that there should also be a margin in the case of commitments was pure nonsense, because you are dealing with a margin for commitments and with a margin for payments, and you cannot have both at the same time and certainly not the same margin for both at the same time. That can only lead to chaos, especially if each of the institutions intends to exercise the powers conferred on it by the Treaty.

I am inclined to say that given the present situation in the Community commitments should be the determining factor. But I also say that a satisfactory arrangement is not possible in this respect as long as the basis laid down in the Treaty for the calculation is in fact a basis for the calculation of payments. In short, the two parts of the budgetary authority are together in the process of making a mess of things, and they call that a budgetary procedure.

That the 1977 agreements might prove nonsensical was incidentally predicted as early as 1977. In Document 434 of 1977 I find that the budgetary authority agreed that the percentages for commitments and payments would not necessarily be the same and that it would then even be necessary to take a closer look at the operation of the system with the other half of the budgetary authority.

That is what is now needed: the system was in operation for one year, and in that one year it became clear that the rates for commitments and payments would

eventually differ. We might have realized this again last year, but then the budgetary procedure progressed in such a way that the final result was, to say the least, unclear.

It therefore seems to me that in the present situation the only way in which Parliament can act fairly and responsibly is to proceed from the available margin for payment appropriations and to try to find a responsible approach on the basis of the percentage relationship between payment appropriations and commitment appropriations given in the preliminary draft by the Commission. For the time being, the Council is refusing to play this game, because it feels that parliaments always act irresponsibly and that it must therefore go no further than providing this Parliament with a tiny range of noncompulsory expenditure. I must say that the Council's view on the workings of parliamentary democracy in Europe is very strange. It confirms my impression that the members of the Council have so much difficulty with the workings of parliamentary democracy in their own countries that they give preference to people's democracy as soon as they move in European circles. The advantage of living in the European Community is surely that, thanks to the press, we have nothing to do with views of that kind.

What does concern Parliament is the way in which the Council has used Article 203. The statement by three delegations contained in the minutes of 11 September on the decision not to increase the maximum rate of increase is a travesty of the procedures laid down in the Treaty. Procedures which invite such a one-sided Council decision — and it is a decision, because the other decision, by which the margin is increased by a qualified majority on a proposal from the Council, is no longer possible — in fact result in the blocking of the negotiating process described in Article 203.

As a result of this statement the 255m in commitment appropriations quoted by the Council has become a sacred number. The statement forced the Council not to judge the amendments that had not been rejected individually on their merits but to package them by sectors and then to share the 255m by sectors among the Council's priorities. The Council did not deal with each amendment individually, as the Treaty prescribes: it discussed packages of amendments in a *Conseil restreint* and distributed the previously determined amount available — and, it should be noted, Parliament's share of the maximum rate of increase — among the customers in the Council, in other words a violation of the Treaty.

But that was not all on 23 November. The fortunes of the proposed modifications relating to the dairy sector give rise to the question as to whether the Council can still be taken seriously as part of the budgetary authority. For what does the Council do? It rejects the

## Dankert

proposals, and then seven delegations adopt a statement, which says, and I quote from the English text :

The Council agrees with the Parliament that early action by the Council is an essential step to secure a better balance within the agriculture section of the budget and within the budget as a whole.

In other words, the Council agrees, but because the Council of Budget Ministers does not dare to consider itself as the Council. To continue the quotation :

Council believes that until binding decisions have been taken, it would be premature to accept the Parliament's proposals and change the appropriations in the draft budget, which represents a reasonable estimate of the measures currently in force.

What are 'binding decisions'? I thought that the 'binding decisions' had been taken, that the Council of Agriculture Ministers had decided on 22 June on a co-responsibility levy of at least 1 1/2 % for 1980, to apply from the beginning of the new milk price year, that is from April 1980. I had consequently expected a statement from the Council of Agriculture Ministers, which has been meeting yesterday and today — to discuss, among other things, budgetary problems — which would eliminate our difficulties with the Council of Budget Ministers. But I was obviously mistaken. All we got yesterday from the Council of Agriculture Ministers via the President of the Council was 'sympathy and understanding' and the message that, to quote Mr MacSharry, they would try to react to our signal in April. I repeat: they will try to react, not they will react. Knowing the Agriculture Ministers, I can safely say that they will again not succeed. Nothing more has been heard of the decision they took in June, their intentions with regard to the 1980 budget remain obscure, and the basis of these obscure intentions, and to take that responsibility not in April or next year but now. A Dutch commentator wrote soon after 23 November: Parliament is being buried by the Council, but with flowers. I should like to warn against allowing the flowers to obscure the view of the grave. There is only one way to escape this funeral, and that is by sending the flowers back. We are by no means so weak that a funeral is inevitable. We are a directly elected Parliament, gathered here to do our duty to millions of electors on the basis of the Treaties and of existing rights. We have shown in the budgetary procedure that we can do our duty as part of the budgetary authority. The tribute we have received from the Council for this must be paid for by the Council, not by us. We can reject the budget.

I am not saying this is inevitable: much depends on the Council showing what it is capable of at the eleventh hour. But in view of the vague statement by the Agriculture Ministers I fear that there is not much left to be done. We will be talking to the Council again tomorrow and, as I see it, even more frankly than

hitherto and, again as I see it, with more support from the Commission that hitherto, since in the preliminary draft the Commission states convincingly why, despite the need for moderation that it itself has also ascertained, it will be impossible to respect the maximum rate of increase in the case of the 1980 budget. Here the Commission has even gone much further than Parliament. By my reckoning, Parliament has ultimately achieved a third of what the Commission proposed.

However, as I have already said, I am not optimistic about the outcome of the talks, and I will explain why. I do not believe that the confrontation brought about by the Council on 23 November can still be prevented, and I have two principal reasons for believing this.

The first is that the Budget Council cannot and will not accept the responsibility that is its as a Council and as part of the budgetary authority. I said this on 11 September during the first debate. Many of the difficulties that have arisen during the budgetary procedure stem from the fact that the Budget Council is in fact a second-rate Council, in other words more of a book-keeping machine than a policy-making body. A Council of this kind can only work with a Parliament that contents itself with the part of the playground allotted to it and that waives the responsibility conferred on the budgetary authority by the Treaty. This Parliament cannot do that.

My second reason sounds almost like a mitigating circumstance for the Council of Budget Ministers, and why not in fact? I am convinced that the political weight of the Council of Budget Ministers or its lack of weight — combined with the preparations for the European Council at the end of November resulted in a number of decisions which a smoothly functioning Council would have taken in normal circumstances not being taken on 23 November, because the members of the Council of Budget Ministers were unable to do their duty as part of the budgetary authority so short a time before Dublin. Where this shirking of responsibility has led, we are seeing here today.

Barring a miracle, the Council of Budget Ministers is forcing Parliament, as part of the budgetary authority, to reject the 1980 budget on Thursday of this week, because as regards the unbridled growth of agricultural spending, non-compulsory expenditure, the budgetization of loans and the European Development Fund the minimum conditions for the adoption of the budget set out by Parliament in the final paragraph of its resolution of 7 November have not been met. I do not see how Parliament can now fail to put into effect the day after tomorrow the judgment passed on these conditions by the Council on 23 November.

*(Applause)*

**President.** — In accordance with the announcement made yesterday, the list of speakers for this debate is now closed.

I call Mr Robert Jackson.

**Mr Jackson, rapporteur.** — Mr President, there is a story of an episode at a fairground where a young daughter looks up anxiously at her mother and says 'Where is Daddy? We're lost.' And mother replies firmly, 'No, we are not lost, Daddy is lost.' One thing is clear, and that is that in this budgetary dialogue between the European Parliament and the Council, it is not the European Parliament that is missing, it is the Council that is lost.

It cannot be said that the budgetary dialogue between Parliament and the Council works very well. We produce very detailed justifications for all our amendments and we consider them item by item, point by point in the Committee on Budgets and in the plenary session. The Council horse-trades, the Council considers packages. It does not, as Mr Dankert said, go through the amendments one by one and consider them on their merits. It does not provide any justification for its decisions when it accepts or rejects amendments or modifications introduced by the European Parliament. In short, what you have is a dialogue between a partner on the one side that tries to make it work and a partner on the other side that does not. However, it is clearly the duty of Parliament to try to make this dialogue work, and we shall persist and persist until the budget Council becomes a serious instrument of dialogue on the Council's side.

In relation to the administrative budgets which are my particular concern, we have been trying very hard to make this dialogue work. These involve non-obligatory expenditure, and we have given earnest re-examination to all those amendments which the Council finds itself unable to accept. What happened, you will recall, is that we introduced and Parliament voted upon certain amendments to the administrative budgets on 7 November. At its meeting on 23 November the Council accepted some of those amendments. For example, it accepted our amendment to provide an interpretation service for the Court of Justice. It had previously refused to do this without justification and then it proceeded to agree to it, again without justification. The Council also accepted other amendments proposed by the European Parliament, but it accepted them subject to assertions that it made, unilateral assertions by the Council, or certain reservations of principle, for example, in respect of the expenses and allowance paid to members of the Economic and Social Committee, and in respect of the European Parliament's own budget, where the Council made two reservations about Members' salaries and the seat of Parliament. Then the third category of Parliament's amendments comprise those rejected by the Council of Ministers, and these have

now been re-examined by the Committee on Budgets.

My task today is to report to the House on the views of the Committee on Budgets on these amendments, both those that were refused by the Council and those that were accepted by the Council but in a qualified fashion. First I shall deal with the amendments refused by the Council.

The first of these was in relation to the Economic and Social Committee where there were five conversions of posts. Here again the Council gave no justification for its refusal to accept Parliament's amendment designed to provide for those conversions. However, in the spirit of dialogue we examined them very carefully once again and we concluded in the Committee on Budgets that the cost was very minimal, 2 800 units of account, that there was a serious situation in the Economic and Social Committee of people remaining in positions, acquiring additional seniority and responsibility, but having their careers blocked because of the absence of opportunity for promotion, that this was having an effect on the way in which the Economic and Social Committee ran and that it was losing staff, draining away at a much higher rate than is the case in other Community institutions because people were finding that their careers were not developing. Since we had taken a strong stand of principle in our report, adopted by the Parliament on 7 November, in favour of the development of an orderly and sensible career policy in the Community institutions, the Committee on Budgets decided to stand firm on these conversions to re-table its amendments and to recommend them to the House, which I now do.

Then we have the Court of Auditors, where there were two amendments made by Parliament, both of which were rejected, again without justification, by the Council. The first of these was to provide 18 new posts and a number of conversions and the second to provide entertainment and representation expenses for members of the Court of Auditors to the same standards as are available to the members responsible for the policy of other institutions.

The Committee on Budgets re-examined these questions. It concluded in relation to the posts that, as it had pointed out in its original report, which made a full and detailed examination of this matter, the Court of Auditors needs to be able to complete its list of posts so that it will be able to do the important work which has been carved out for it. Therefore we propose to reaffirm our amendments and we recommend them to the House. It is very important that a close relationship should develop between the European Parliament and the Court of Auditors, and the Committee on Budgets is recommending this to the Parliament in a spirit of goodwill towards the Court of Auditors at the beginning of this partnership between our two Institutions.

## Robert Jackson

On the matter of representation expenses, the Committee on Budgets could not see why members of the Court of Auditors should be discriminated against. It therefore insists, and proposes to the House that it should insist, that they be given expenses on the same basis and at the same rate as those available elsewhere. The Court has furnished a document setting out the guidelines which it intends to apply for the payment of these expenses. This document constitutes something of a model for all the institutions, and as such we have put it in as an annex to the report from the Committee on Budgets.

Now, Mr President, I turn to the category of amendments accepted by the Council but subjected to certain qualifications. Here we come to the Economic and Social Committee and the Members' expenses which I mentioned earlier. The European Parliament insisted, when it discussed these matters on 7 November, that these allowances, like those that are paid to us as Members of the European Parliament, are not remuneration and are therefore not subject to the exclusive Council decision which is provided for under Article 6 of the Merger Treaty. For this reason the Committee on Budgets considers that, now that these amendments increasing the allowances have been accepted by the Council, no further decision is required and the Economic and Social Committee may proceed, with the authorization of the budgetary authority as soon as the budget has been adopted, to pay these expenses at the new rate.

I now turn to our own budget, the European Parliament's budget, where the Council expressed two qualifications or reservations to its acceptance of the whole of the budget, namely, in respect of Members' salaries and in respect of the seat. The Council insists that both of these matters are subject to the exclusive competence and decision of the Council. Well, the Committee on Budgets recommends to the European Parliament, in its draft resolution which you have before you, that we cannot accept these assertions by the Council. Turning to the resolution, the first point to note is the second paragraph of the resolution, which notes that the gentleman's agreement between the two institutions concerning the approval of their respective budgets remains valid. The Council has not challenged that gentleman's agreement. In the view of the European Parliament therefore it continues unamended and untouched.

On the matter of salaries, we recommend to the Parliament that it should reaffirm its intention that the salaries of Members of Parliament be paid on a common basis from the Community's general budget, and not from national budgets, and that it confirms that this is a matter within the competence of the European Parliament. This was agreed virtually unani-

mously in the Committee on Budgets. A number of people abstained because they felt they had an interest in the matter, but there is a strong view in the Committee on Budgets, which I hope will be echoed by this House, that this should be the basis on which salaries are paid.

On the matter of the seat, in paragraph 4 of the resolution the Committee on Budgets asks Parliament to recall that, notwithstanding the Treaty and the subsequent right and obligation of the governments of the Member States to fix the site of the institutions, Parliament is sovereign as regards the determination of its working conditions and working places, and goes on to say, in conformity with the resolution adopted on 7 November by Parliament, that in 1980 Parliament will, in the context of discussions on the necessary transfer for rent, take the appropriate action as regards its working places in the interests both of efficiency and saving the European taxpayers' money.

*(Applause)*

Mr President, I think we are all struck, and I hope the Council will be struck, by the sense of purpose and the vigour being manifested in this Parliament at a very, perhaps surprisingly, early stage in its life. We have not been deflected onto sidepaths, we have devoted ourselves with a great sense of purpose and determination to the central issues which are the subject of debate, discussion and vote this week, notably the general budget of the Community and the Community's policies. However, we have put down markers for the future; next year we shall return to what are essentially internal matters for this Parliament, although they are of some political sensitivity, and we shall, I hope and believe, resolve them.

*(Applause)*

## IN THE CHAIR : MR JAQUET

*Vice-President*

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, member of the Commission.** — Much of our time Mr President, in the Parliament or the Commission, or indeed in any other activity, we go about our routine affairs; they may be important or they may not, but they are routine, and we know that we are doing them in a routine fashion. But from time to time something important happens; from time to time we come up against a situation which we know has a special significance. This debate, and the vote which will follow it, and the consultations which will take place between the debate and the vote are, I believe, extremely important events.

## Tugendhat

We are, of course, approaching the end of the first budgetary procedure involving the directly elected Parliament. That in itself is significant but on top of that we are dealing with very important policy issues that go to the heart of what the Community is about. I think that the Commission's view that the Community budget is not simply an accounting document, that it is indeed an expression of Community policy, has received absolute vindication in view of the whole nature of the debate that has been taking place within this Parliament and between the two arms of the budgetary authority since we first launched our preliminary draft budget before direct elections had even taken place. So let none of us be under any illusions about the importance of the occasion and the importance of the decision we are being called upon to take.

This, Mr President, is essentially an occasion for the two halves of the budgetary authority to conduct their dialogue, and for this reason it is not my intention to make a long statement. It is, however right that the Commission's view should be placed clearly on the record, and my task in this brief speech is to seek to clarify for the House the Commission's opinion on some of the important questions which at present face us. Our belief is that it is in the interests of the Community that there should be a budget adopted in this part-session for the execution of Community policies in 1980. This is not the moment to dwell at length on the possible consequences of a rejection of the budget by this House, or of its failure to adopt the budget. What I can with confidence say, however, is that if this were to happen, if the budget were to be rejected, or if it were not to be adopted, I have no doubt at all that there would be some nasty surprises in store for us all. The Community as a whole has no experience of operating on the *douzième provisoire*, and I very much hope that it is an experience that we shall be able to forego. I know that those Member States that have operated on that basis have found it a disagreeable experience, and I think it would be worse for the Community.

In its preliminary draft budget, the Commission made a proposal which increased non-compulsory expenditure by 44 %, as compared with the previous year. I remind the House of this, because the rapporteur in his speech drew the attention of the House to the fact that our original proposal had gone above the maximum rate. That increase of 44 % in non-compulsory expenditure over the previous year was in line with the triennial forecasts, which of course reflect the Community's policy priorities. One of our objectives, as the House knows, is to try to secure over a period of time a better balance in the range of overall Community policies. In this we are at one with the European Parliament. We recognize that the whole thrust of Parliament's efforts during the course of the budgetary procedure is to secure a better balance, and

that the amendments which were put forward, both in the agricultural field — and those amendments are of course of profound importance — and in the non-agricultural field were designed to secure Community objectives which have frequently been stated at all levels of the Community, and which certainly would help to secure a better balance.

When one thinks of that objective, and when one compares the preliminary draft budget with the draft budget which has emerged from the Council, one can of course see that the draft budget that has emerged from the Council represents a retrogression from the proposal which we originally put forward. Whereas in the preliminary draft budget, the share of non-compulsory expenditure was 25.4 %, it is now down to 21.9 % in the Council's draft budget. It may be thought that that is a fairly small change. But then compulsory expenditure remains, I fear, a relatively small proportion of the budget as a whole. The Commission hopes — it has hoped, and it continues to hope — that the 1980 budget, when finally adopted, will be a step, though perhaps only a small step, towards reversing that imbalance. We understand very well that the European Parliament is seeking to move in the same direction. We have heard statements from the European Council and from the Council of Ministers. I know the importance that the Ministers, in their various forms, attach to structural policies and to dealing with the underlying problems facing our Community, and I hope very much that, in keeping with those statements and with the decisions that have been taken and the declarations that have been made, the Council will find a way of moving down this road towards a better balance of Community policies, which we certainly would very much like to see.

I was asked a question by the rapporteur about the maximum rate. It is, of course, explicit in the preliminary draft budget that the Commission considers that the maximum rate should be increased. In this context I welcomed the statement made by the President-in-office of the Council last night when he said that the Council is prepared to continue the dialogue with Parliament, and will be meeting here on Wednesday for that purpose. Despite some of the remarks from the rapporteur, I think I detect in Parliament as a whole a similar desire to find a settlement. If nothing else is clear, it is that it will require a spirit of compromise which must be forthcoming not merely from one but from both sides of the budgetary authority. Compromise is something which by definition requires two sides to move. As it has always done, the Commission will put every means it has at the disposal of the two arms of the budgetary authority to assist in finding that agreement. The Commission stands ready to play an active role, and as I have said, a compromise will have to be based on an increase in the maximum rate.

## Tugendhat

Mr President, I do not wish to dwell on the question of rejection. I have however one or two last thoughts to leave with the House. As honourable Members will know, not only is the conduct of existing policies restricted if there is no budget, but there can of course be no new policies initiated until there is a budget. It is also, I think, worth bearing in mind that the budgets must be considered together. One cannot reject one budget and pass others; the budgets of all the Community institutions stand or fall together. Mr Jackson made some important points concerning the budgets of the other institutions. Those points too will of course have to wait not just for their solution, but will have to await being tackled until the budget has been passed, should it not be adopted this week.

The main budget, the Commission budget, contains some of the policies most wanted and needed in the Community, and these would, of course, be frustrated at least for a time. It would also be right for us all to ponder whether, at a time when relations between the directly elected Parliament and the Council are in their infancy, it would be helpful to inject into that relationship a major crisis which it would not be easy to solve. The Community faces many challenges at the moment, not least that of finding jobs for ordinary men and women. To do this, the Community must be able to devote its energies to the solution of what is a set of very formidable problems. These are circumstances in which all concerned should, I believe, seek to avoid crisis. By that, I do not of course suggest that the solution to the problem of agricultural surpluses, which the Parliament rightly takes seriously, should be subordinated. I do say, however, that I hope the Community will be able to meet the challenge of tackling its current problems within the framework of the normal conduct of business, thus allowing it at the same time to get on with developing new policies. It is in this spirit, Mr President, that we hope very much that the two arms of the budgetary authority will be able to find a compromise on the basis of an increase in the maximum rate, and that the budget, once adopted, will represent a step down the path towards a better balance of Community policy, something that we certainly want to see, and that I believe is very much in the interests of the whole Community.

**President.** — I call Mr Früh to introduce the opinion of the Committee on Agriculture.

**Mr Früh, draftsman of an opinion.** — (D) Mr President, ladies and gentlemen, it will surely come as no surprise that I too, as draftsman of the opinion of the Committee on Agriculture, am speaking in the debate this morning to present to you the views of the Committee of Agriculture. There can be no doubt that agriculture plays a great role in this context, because the common agricultural policy plays a decisive part in this budget. From the outset, I should like to say one thing: I should like to warn against penalizing

the farmers for having the courage to opt for integration in Europe and for making the greatest progress towards integration. They would be very discouraged, and I hope that this will not happen. It should not, after all, be forgotten that the common agricultural policy was one of the determining factors in the creation of the Common Market.

And now I should again like to explain some of the views of the Committee on Agriculture. We particularly regret — this must, I believe, be made quite clear — that it has not been possible for this budget to give a clearer and truer picture and that the Committee on Agriculture was unable to gain acceptance of its view that expenditure on the agricultural policy — and in particular expenditure on other policies which is charged to the agricultural policy — should be separated from the actual agricultural budget. I am referring here in particular to the extensive refunds needed to offset ACP sugar and also to the refunds for food aid, which we unsuccessfully tried to transfer to another title. It is of course, also important in this connection that in the monetary compensatory amounts the agricultural policy has to bear the burden of the failure to create an all-embracing, uniform, supranational economic and monetary policy.

I feel that should be made quite clear. There is another aspect: if it had been possible for agricultural policy revenue, which — simply because the agricultural policy exists — is collected at the external frontiers, to be considered in the general context, the spectre of this agricultural policy absorbing 70 % of resources would have looked different. It would have disappeared, it would have become more realistic.

If now the attempt is made through the Committee on Budgets to put the agricultural policy in a different place, it must be fully realized that although this possibility exists, this is not the way. The way is, as we all know, to amend the regulations.

And now I should briefly like to put four points of view, which we believe will help us to make progress towards placing the agricultural policy in a different context. One of these is undoubtedly close to our hearts: we are in the process of trying a new structural policy. We are fully aware that structural policy cannot always be made from the agricultural point of view, by increasing productivity, producing more and so including only agricultural structures. We must include all the factors: rural areas, the rural population, the regional policy and the movement of non-agricultural workers to the country-side. And that is why we would be very interested in seeing this division into rigid funds abolished and an overall view taken of structural policy, which would then include agriculture and would also provide for the establishment of agricultural structural policy that does not necessarily increase productivity and so put renewed pressure on the markets.

**Früh**

I now come to the second point, the establishment of market equilibrium, and there can be no doubt that the milk sector poses a serious problem. It is among the problems that need to be solved first. Then many other problems will no longer appear so serious. But I should like to make one thing clear: the milk problem has very many facets. It will not simply be solved by calling for the co-responsibility levy without making any distinction at all, in other words by insisting that everyone who produces milk must pay this levy. If the milk lake then increased, we would simply blow our tops. I would therefore urgently request that farmers who have no other alternative should be treated differently from farmers who produce milk on factory lines with the constantly growing influx of foreign substitutes. This cannot be in our interests. So we must make distinctions in the solutions we find. Another thing is clear, and this goes a great deal further: it must be realized that if the problem of the Community's external relations, which — it is said — necessitate and do not prevent the import of these substitutes, it is hardly likely that there will be an improvement in the milk sector. We are in favour of every possible means being used to curb the increase in consumption — and also in production — to an appropriate level. I feel we should be patient. This will not happen overnight.

Long-term programmes must be set up to strike a balance in this of all markets.

Another point I should like to raise would appear to contradict what I have just said. So we see that we cannot consider only one aspect of the matter. This Parliament has assumed considerable responsibility where the other aspect is concerned. This point in particular must be emphasized. Hunger in the world must also be seen in the context of these production levels, these stocks, and of course, the resulting costs. We realize that we must always help when catastrophes occur. In fact, only the European Community and perhaps the United States of America are capable of this. And we also realize that long-term aid must be granted in addition to the aid given when catastrophes happen. The agricultural policy must allow the Community at least to help with food in this troubled world, while assuring its own population of a secure position in which it cannot be blackmailed as it can be in other areas.

Allow me to put a fourth point in connection with the agricultural policy, which must be considered if we are trying to make progress towards future improvements in the agricultural policy. Agricultural policy is incomes policy and has a decisive influence on the incomes of the rural population. That is also one of the tasks assigned to it by the Treaty. I cannot go into detail now, but I will point out one thing: I would ask you to treat the common agricultural policy with care in these budget debates, to consider more than one point of view and not simply to speak of surpluses

and to feel that the problems could be solved by putting pressure on prices or taking other action — for example, suspending intervention or increasing the co-responsibility levy. We must realize that incomes are also at stake here and especially the incomes of farmers who have no other alternative. If in the longer term you do not want this agricultural policy to be re-nationalized because the necessities of life cannot from time to time be provided in this sector of the Community, we must look at the problems honestly and seriously and, on the basis of proposals from the Commission, discuss what form the agricultural policy should take in the future, rather than simply trying to change it in a slap-dash budgetary procedure. It would help no one if this common agricultural policy were damned and if it should break up as a result. No one should believe that this would release funds for other policies. This problem can only be solved — we all agree on this — only by increasing own resources. If the agricultural policy should collapse, I am sure that it would not be succeeded by another common policy. An agricultural policy that had collapsed would always be produced as general proof that there is no point in pursuing other common policies. I must warn you of that. The end of the common agricultural policy would also mean the end of this Community, and politically that would be the worst thing for Europe in the present world situation.

**President.** — I call Mr McCartin to introduce the opinion of the Committee on Social Affairs and Employment.

**Mr McCartin, draftsman.** — Mr President, speaking immediately following a report on behalf of the Committee on Agriculture one gets the impression of moving rapidly from an area of priority to an area of little concern; from an area where all the spending takes place to an area where very little is done and very little interest seems to be shown. Looking back over the first five or six months of the life of this Parliament, I cannot, as one involved with the working of the Committee on Social Affairs and Employment, but regret the measure of concern, if one is to judge from the amount of discussion which it gets, shown by this Parliament for the social sector, for the whole area of unemployment, women's rights, the handicapped, the aged.

This is an area in which I feel Parliament must adopt a new attitude. I do not see that as conflicting with anything that has been said by Mr Früh in his report. I would hope that I would see the time when the whole area of social affairs, of concern for the unemployed and the weaker members of society, will have the same level of importance in this institution as has agriculture. Indeed I would hope that our policies in that area in the years ahead will give as much cause for confidence among the weaker categories as the

## McCartin

Common Agricultural Policy has given among those engaged in agriculture.

This area of social affairs and employment, the area falling within the terms of reference of our committee, covers the principal policies of this Parliament and this European Economic Community designed to contribute to a better social order, to remedy unemployment and provide opportunities for retraining for those who are out of work. In the 1979 budget the payment appropriation provided was 502 million units of account, but this year in the Council's draft the payment appropriation was only 350 million. If our payment appropriation for the coming year is to be taken as an indication of our concern for the sector about which I speak then we will all have to agree that what the Council has done in its proposals for 1980 is effectively to take a step backwards, not only in terms of spending power, but also in nominal terms. A major drop of more than 20 % is proposed by the Council in payment appropriations for the coming year.

Considering the position of the Committee on Social Affairs and Employment, a new committee of directly elected Members of the European Parliament, and considering that they are extremely concerned and well aware of their special responsibilities in a time of high unemployment and economic crisis within the Community, a time of recession which naturally hits hardest at the weaker categories, I think that they were most restrained and most conservative in their original proposals. I think the committee was most restrained and most responsible in its reaction to the cuts imposed or suggested by the Budget Council. Of the 20 amendments which eventually got through this Parliament at our last part-session, not a single one was accepted by the Council. Ten of them were rejected outright, and a compromise figure of just 15 million units of account was arrived at by the Council. This included figures like 10 000 u. a. towards pilot projects for the housing of handicapped workers, 15 000 u. a. towards housing migratory workers. Those figures give us some indication of the low level at which the Council is thinking, at the low level operations by the Community institutions in relation to the weaker categories. I think that figures of this nature would tend to prompt almost immoderate language in relation to those proposals. But I recognize in those proposals an indication of what the difficulties of this Community are, and how far we are from producing real policies of weight and substance designed to come to some sort of terms with the problems of people like handicapped workers, migratory workers, and other categories in a similar situation.

I want finally, to say that of the 65 million units of account which this Parliament agreed by way of amendments, only 15 million units of account were

eventually accepted by the Council. My committee is of the opinion that it is not prepared to accept further compromise on this; that each and every one of our 20 amendments must be tabled in this Parliament for re-submission, and that not a line or a figure of what we accepted as the very minimum which we could offer the weaker sections of this Community, as the very minimum budget which we could recommend, must be lost. We must stand behind them, and recommend them here again today.

**President.** — I call Mr Normanton to introduce the opinion of the Committee on Energy and Research.

**Mr Normanton, draftsman.** — Mr President, I rise to speak as the draftsman of the opinion of the Committee on Energy and Research, and I do so to reinforce as strongly as I possible can the outright condemnation expressed by Mr Dankert of the way in which the 1980 budget in general has been treated by the Council — I would say it has acted in an utterly cavalier manner — and of the energy and research provisions in the budget in particular. If the budget of the Community is to mean anything, it must be, and must be seen to be, the reflection of a Community policy and the instrument of policy implementation.

By this criterion the budget provisions for energy and for research are at best irrelevant, and at worst a downright confirmation to the electors of Europe — our electors — that there simply is no Community energy approach; or rather, no serious political awareness of the need to adopt such a stance. Indeed, I think the public could well be justified in asking themselves whether they are living in the same world in which we, as politicians, are living.

The Committee on Energy and Research spent many long hours in the deepest deliberations, much of it with the Commission, considering the Commission proposals, our own committee proposals, and the ordering of priorities as between one proposal and another. I do not intend at this stage in the debate — nor would it be appropriate — to go into the relative merits of any single budgeted entry, whether it has been maintained or rejected by the Council. It is as if the Council were oblivious of the existence of any threat to the continued viability of Europe, totally unaware of the vulnerability of the umbilical cord of oil supply lines by courtesy of which our industry — including our agricultural industry — continues precariously to function. Until the Community as a whole has reduced our massive dependence upon imported energy, in the judgement of my committee there can be no higher priority than to move as rapidly as possible in this direction. That can only be achieved on a Community basis with a Community energy plan and with Community finance for its implementation.

## Normanton

The procedures adopted in the past for formulating, considering and concerting on the annual budget are clearly no longer appropriate. My committee calls for the process to be spread throughout the whole year, for budgetary aspects of energy policy to be costed as policies develop, to be monitored as policies are implemented, and for this to be done by maintaining and developing a constant discussion, a dialogue, between Energy Council Energy Commissioner and our Committee on Energy and Research. No longer are we prepared, as Parliamentarians responsible directly to an electorate, to await meekly the preparation and presentation to us of a draft budget every autumn, to go through the procedures of so-called consultation, and then have our views clearly and conspicuously ignored or rejected. It is seen by us for what it really is — a charade.

I do not believe that we are prepared to continue to play party games in future. The energy situation is seen by us as far too grave for that sort of behaviour. The Council of Ministers and particularly the Energy Council and the Research Council, must shoulder their responsibilities for a Community energy policy and its financing. This Council budget fails completely to reflect such a stance. Their budget as it stands should be rejected.

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

**Mr Colla.**— (NL) Mr President, in Europe, which is labouring under a serious economic crisis, the Socialist parties of the nine countries of the Community, fully conscious of the anxieties of the people and in particular of the workers, have in their joint appeal rightly made the safeguarding of jobs and the fight against unemployment their first priority. It will therefore come as no surprise that the Socialist Group of this Parliament intends to measure the 1980 budget proposed by the Council first and foremost against this objective, since the budget provides the only means of taking action.

It also regrets that this Parliament has not yet managed to tackle the question of reducing working hours, for example.

No one will want to dispute that in view of developments at world level a new, well-thought-out industrial policy must form the basis of Europe's future and of the protection of jobs in Europe, squeezed as it is between major powers such as the United States and Japan and confronted with the developed Third World.

Is our friend and colleague Edgar Pisani not right when he says in his excellent work 'le défi du monde': *'L'expression "politique industrielle" semble brûler les lèvres,*' and he continues: *'La Communauté n'a pas eu et n'a pas encore de politique industrielle.'* He feels this is due to a *'croyance religieuse dans les vertues du libre marché.'* The budget before us unfortunately shows that he is right.

A genuine industrial policy presupposes first and foremost a desire to see sectors of industry that are essential to the Community restored to health and restructured where necessary. Reacting to Parliament's proposal, however, the Council feels more often than not that token entries are sufficient for the industrial policy and that Parliament is overdoing it in proposing appropriations, thereby, taking over the Commission's proposal, for studies and investigations in sectors particularly hardhit by the crisis. Secondly, a planned industrial policy presupposes transitional measures to assist and stimulate affected sectors, workers and areas. It is therefore incredible that the Council should refuse to accept social measures in favour of workers in the steel sector and feel that it can approve only about 30 % of the appropriations for the Social Fund proposed by Parliament. A forward-looking industrial policy presupposes, thirdly, change, in other words imagination and innovation, as well as action in favour of the most endangered groups and action to reduce regional differences. But for research the Council has made only minor concessions and no more than a token entry has been included for new technologies in the textile and ceramics industries. Again, the Council had little sympathy with the increases proposed by Parliament in appropriations for the fight against unemployment among young people, for the better preparation of young people for working life and for the improved vocational training of women. Nor did it show any mercy in the case of less spectacular, but necessary requirements for industrial developments. By this we mean the rejection of financial support for transport projects. What disturbs us most is that less than half of the proposed increase in appropriations for the Regional Fund has been accepted, and this is particularly true of the quota-free section of the Regional Fund. We are also disturbed by the limited increase in support for the improvement of employment prospects in certain sectors of industry and certain regions.

In other words, the Council was not listening closely when Willy Brandt was greeted with applause in this Parliament in July for saying that we must not forget that we will be increasingly concerned with a Europe of the regions, that the Community must do more for the weak regions and more to achieve a regional balance.

And then there is the second priority. Willy Brandt told the Council and Commission that they had so far done very little, if not too little, for the European energy policy. Since then there has obviously been no improvement. While everyone is talking about nothing but the energy crisis and our dependence in the field of energy, the Council cannot agree to important amendments to the benefit of the coal sector and rejects an amendment aimed at making appropriations available for the development of new sources of energy. Furthermore, the Council can only partly

## Colla

agree to a proposal that more funds should be set aside for hydrocarbon exploration.

It is clear that Community policy cannot be assessed merely in terms of the budget and that the budget cannot be evaluated only in terms of Parliament's proposals.

But there is a painful gap between the lip service paid to employment and energy by the Council and European Council in Strasbourg or Dublin and the fate of Parliament's amendments in these areas.

A third, but no less important, question to which the Socialist Group gives priority concerns those matters to which our peoples and particularly the young people in Europe have become very sensitive, but for which our Ministers show no understanding. One third of the proposed increase in aid to non-associated developing countries was rejected, the requested increase in appropriations for food aid was rejected, additional aid to the Maghreb and Mashrek countries was rejected.

Environmental and consumer protection? The Council should care. All the amendments in this respect were either rejected or substantially reduced. A new idea, the establishment of an environmental fund, was shown no mercy. The Council was also prepared to lend only limited support to groups that have difficulty in our society: handicapped workers, migrant workers, young workers. In addition, an increase in the appropriations for the European Trade Union Confederation was rejected. All we can say is that in social terms Europe has come off badly.

The fourth priority. A delicate aspect of the agricultural policy. Let us make one thing clear: the whole of the Socialist Group feels that a Community agricultural policy that assures us of supplies and protects the interests of the farming population is and must remain an essential component of the Community's overall policy. But it also feels that the agricultural policy must not be regarded as a sacred cow and that various aspects are in need of reform. We are aware that the majority view of this Parliament has aroused mixed feelings. But one thing is certain: the ball is now in the Council's court, and the Council has not reacted in an appropriate manner. Unhealthy situations must be rectified, the debate must begin on new own resources and a reasonable balance must be struck in the budget between agricultural expenditure and expenditure on the structural policy.

The fifth priority is of an institutional nature. Parliament would really have to be very docile to accept that the Development Fund and loan activities should not be included in the budget. After all, as was required — be judged on their individual merits. The only conclusion that can be drawn from this is that Parliament has been prevented from playing a responsible role as part of the budgetary authority and that there is something wrong with the conciliation procedure.

Parliament was certainly not rewarded for the sense of responsibility it has shown by proposing only very modest increases in comparison with comparison recent past. The sensitiveness of Parliament, which wants to play its political role, is undoubtedly just as pronounced as the Council's fear that budgetary methods are being used to attack its monopoly at legislative level.

The Socialist Group, taking these five arguments as its basis, will therefore vote in its entirety against the 1980 budget in its present form. We have carefully examined the various options and their consequences. We are fully aware of the adverse after-effects of this rejection, for example the burden it will place on the staff. We therefore call on the Commission and Council — if the majority of Parliament rejects the budget — to submit a new draft with all due speed. But our determination does not, of course, mean that we are not prepared to look at the situation again if the Council should put forward new, acceptable proposals before the final vote is taken in this Parliament. But the Council must then produce something different from the statement read out to us yesterday in the Committee on Budgets, a statement which resembled the reaction of someone who has woken up late and is still in a daze. The Council must produce hard facts. We are not inexperienced elected representatives who want to put on some kind of show, but people who are aware of their responsibility and are willing to accept it.

*(Applause)*

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

**Mr Klepsch.** — *(D)* Mr President, ladies and gentlemen, I have the honour to speak on behalf of my group in this debate, because we are of the opinion that this is primarily a political debate and that a political decision has to be taken.

Allow me to say the following: the arguments we advanced to convince 180 million Europeans that they should go to the polls was undoubtedly that this directly elected European Parliament could be expected to provide a more accurate definition of the public interest in Europe, even if, as is the case in many quarters, there is considerable opposition to an extension of the powers of this House. When we vote on the budget, not only the European Parliament but also the other institutions — whether they have forgotten it or not — will be experiencing the first real test since the citizens of Europe took their decision. It is not therefore possible to brush aside political demands legitimized by a popular election as Euro-utopianism and simply to pass on to the rest of the agenda.

*(Applause)*

## Klepsch

I say this because the public should perhaps take more notice of this self-confidence, which springs from the European Parliament's mission.

Nor do we believe that it is enough to ask a few wise men in the Council for a report, and I have a sincere request to make to the Council. I would remind the House what happened to the Tindeman's report. From the first statement made in Dublin we rather have the impression that there is a danger the very limited assignment carried out by the three wise men may be going through the same mill. It is not a question of Parliament humbly asking for greater rights: we are dealing here with a division of powers that was decided and introduced long ago. The question is simply how each institution uses the powers conferred on it.

I consider the word crisis, frequently used in this argument, to be completely out of place, because what we have here is not a crisis but the normal process for which the Treaty provides of settling conflicts between various institutions. And Parliament is today faced with the question of how it is going to make its budgetary policy effective and have it accepted. I should therefore like to emphasize from the outset that my group is no supporter of a simplistic strategy of conflict which seeks to use the political situation to achieve its aim of inflicting a defeat on the predetermined institutional opponent — quite the contrary: we willingly accept the dialectics prescribed by our European Constitution. We do not consider the legitimately defended national pressures or the resulting conflicts within the various 'teams'.

My group is also aware that it must share the role of European leadership in our institution. It is true both of the Council and of our House that some of the views expressed in them please us, others less so. And I will ignore the different reasons for this. But — and I should like to stress this — we are not discussing the tax position like book-keepers who attempt to the best of their knowledge and ability to distribute an allotted sum among the various columns of the ledger. In the case of the budget we are having a political debate, and we are having it primarily with the Council. And it is now for the whole House to discuss the problem that the justification given for the rejection of its proposals is not only defective — that would be putting it nicely — it is inadequate, because there is in fact no justification at all, and I believe that an attitude of this kind simply cannot be accepted.

So what we do not have is a political argument in this House. If the Council were really setting different priorities as the Community's objectives from those set by this House, we would understand and we could discuss that. But to be told that the intention is to pursue the same objectives and then not to draw the appropriate conclusions, that, we find, is no way to co-exist.

*(Applause)*

I have begun in this way because I wanted to explain to you that we shall vote in favour of the rejection of the Community's 1980 budget unless the political will shown by a majority of the European Parliament is accepted at the last moment. I am not therefore denying the significance of the Council's invitation to a kind of second round of conciliation tomorrow. In fact I hope all goes well at that meeting. But there should be no doubt that my group is determined to do what I have said if there is not a radical change in attitudes.

*(Applause)*

I should like to point out to the Council from the outset that our aim is not to obtain a bigger tip...

*(Applause)*

... and that it would be a major mistake to see the price of our approval in such terms. The problem with the European budget — to be quite frank — is a problem of distribution. We very much regret that the Council has perversely changed this into a fight between itself and Parliament over distribution. In reality we have a dispute between the Community and its members of a type not unknown to a federalist like myself. Why the European Parliament must in our political view, at present come down clearly on the side of the Community is, in my opinion, that only the Community can effectively ensure the assimilation or living conditions. Good Community solutions are on the whole more efficient and cheaper than parallel national solutions. In terms of international activities only Community solutions can be put into effect. The influence of individual Member States is not, in our view, sufficient in this respect.

It is not for me to give detailed reasons for our inability to approve the budget submitted to us by the Council — even allowing for the possibilities still open to us. But this will be adequately explained by my group colleagues. Nor do I intend to go into greater detail on the erratic nature of the Commission's preliminary draft — entirely caused by the Council — or the subsequent movements by the Council and the European Parliament. When we consider the total amounts involved, it is in any case almost impossible to explain to the citizens, the public, the normal European what it is all about. It is true that the Council has reduced the additional commitment appropriations requested by Parliament from 1 558 m EUA to 255 m EUA and the additional payments that actually have to be made in 1980 from 311 m EUA to 87 m EUA.

On the other hand, the European Parliament has been as moderate as possible where expenditure is concerned. It must be made clear once and for all that

## Klepsch

we are not robber knights when it comes to expenditure. From the outset we have taken account of what is actually possible. The whole House has made a great effort to do this. We know that the European policy of distribution has set limits marked by political, economic and social factors. What has been decisive in our appraisal is whether the written or unwritten budgetary principles that govern us have been observed politically and legally. One of these principles is that of budgetary integrity and budgetary uniformity. This means that all revenue and expenditure must be included in a budget.

In this connection I must criticize the fact although the European Parliament has fought for years to have loans and the European Development Fund included in the budget, very considerable sums being involved, this fight has been unsuccessful, although the Council has never offered a plausible explanation to justify this continued violation of the principle I have referred to.

Secondly, inaccurate estimates of expenditure and the corrections that soon have to be made with supplementary budgets by carrying forward enormous sums have been on the agenda for years. The Council must be criticized for the fact that it does not decide within the framework of the budget, since it still believes that it can adapt this framework as it thinks fit in the given circumstances. It should take good note of that for once.

A second principle is that it must be ensured that revenue and expenditure balance in the budget.

The Council feels that the revenue side is simply a reflection of the expenditure it wants. But this in no way corresponds to the principle I have mentioned. The decision taken by the European Council in Dublin not to increase value added tax can, for example, be regarded as a flagrant violation of the principle of budget balancing, because while a reduction in revenue is admitted, steps are not being taken to make good this deficiency from legitimate sources of revenue. Endless examples of this can be given. I will attempt to explain what I mean.

We all know that because of the scissors and pincer movement the Community's revenue and expenditure will be going through in 1980 this budget will reach its limits as regards legal difficulties and its compulsory part. It would, of course, be very obvious for us to ask in this House: how is this policy to go on? We cannot simply say that we will think of something in 1980. Least of all can we say today what direction this should take: we the representatives of the citizens of the European Community should at least be told how the Council intends to treat Community interests.

In fact, it can be calculated to the minute when non-compulsory Community expenditure can no longer be effected. For this Parliament this is of utmost importance in a budgetary debate.

To judge by the communiqués issued after the meetings of the various Councils, providing for the future

is one of the determining factors in their activities. But if we try to find some reflection of this in the budget, we are faced with difficult questions.

The previous speaker, Mr Colla, has already pointed out that questions of absolutely fundamental importance for our future have simply disappeared from the budget without trace, while some of the Council's members and of the governments concerned declared them to be of primary importance and advocate that these problems be tackled as soon as possible. For example, everything that Parliament — like the Commission before it — had entered in the budget for the development of other sources of energy has gone, and you cannot call that providing for the Community's future. Numerous examples of urgent scientific, technical and technological requirements that must be dealt with now but are not included in the budget could be given.

It is obvious that a Parliament like this cannot content itself with noting that the room for manoeuvre it has given itself is not sufficient and that some of the Council's members expect the room for manoeuvre Parliament has been allocated — I would almost say this has become a well-tryed custom — is to be used to close the worst gaps the Council has itself created in the budget. It accords with its practice, with which we are familiar from the past, that important projects should be reinstated in the budget by Parliament within its margin for manoeuvre, whereas in fact it is simply a question of trying to eliminate the worst violations against Community interests.

On behalf of all of us I should like to place the greatest emphasis on this. If the European Parliament should reject the budget, it must expect to be asked why by the citizens of Europe. Would it not have been better to accept what little is offered, on the principle that a bird in the hand is worth two in the bush? My group has carefully examined this question. But unfortunately the obvious conclusion is that we have neither one thing nor the other, but apparently the famous fly on the wall, when it is remembered how the the budget is in practice implemented. This has already been said in this House.

The Council should take note that the European public is crying out for a sign that a balance is being sought in European spending and that it can therefore hardly expect to be taken seriously if it shows sympathy and understanding for the wishes of the European Parliament in respect of compulsory expenditure, on which is naturally has the last word, and then rejects them. After all it need not have accepted these wishes. Nothing would have been easier for it than to make an appropriate change in the legal basis. But that is, of course, partly connected with the problem with which we are frequently confronted, the cumbersome nature of the Council's operating and decision-making machinery. We cursed enough at the Commission during the second reading. That is why it is being spared today.

### Klepsch

But I should like to say to the Council that it sometimes seems to us as if the Community's operating and decision-making machinery had fallen victim to a cancerous tumour or secondary growths of this disease. Are we not experiencing a flood, a proper inflation of investigations, examinations, votes, rethinking, referrals rather than decisions? Someone who can certainly not be suspected of sharing my political views — Federal Chancellor Helmut Schmidt — spoke ironically, according to reliable reports, at the time of the study by the three wise men of the growing bureaucracy of the Council in some places, with highly paid officials administering non-decisions. I repeat: with highly paid officials administering non-decisions.

The esteemed Professor Parkinson has also had some valuable suggestions to make in this regard. What I have just said may sound very harsh, but I should like to stress that it is not the task of the Council's bureaucracy to delay the taking of decisions indefinitely — the national administrations are quite capable of that — but to prepare the decisions which the Ministers have to take.

There are, as I have already said, numerous examples, but I should like to take up two points again. We have talked about the agricultural sector. Colleagues of mine have today said very many good things and will add more. The imbalance in some markets is, of course, jeopardizing the common agricultural policy. We know that. That is why we willingly approved the creation of the European Monetary System in this House last year. The debate is still very fresh in my mind. Our enthusiastic approval was subject to the condition that the system could only work and bring relief — to the agricultural sector among others — if provision was made for the economic supporting measures announced at the time. We have been waiting a year for these now, and I believe that when we have an opportunity in March of next year to discuss the functioning of the EMS, we will see that many of the great hopes we had of the system have not come true because we have not taken this one decisive additional step.

A very important aspect of the conflict we are now experiencing is the rivalry between a bureaucratic and a democratically legitimized system, which both parties to the conflict represent to some extent. The performance of the bureaucrat in the favourable sense of the word — I have myself been a civil servant — is measured against his ability to reduce to a common denominator many different and divergent aspects. Nor must it be forgotten that this Parliament has a responsibility and that by 1984 at the latest it must account to the citizens of Europe for its ability to give expression to and represent the interests of this Community and its citizens. We cannot wait until 1984 to do this: in a democratic structure like ours it

is a continuous process. Our task is to solve this equation once and for all. To this end, I should like to make a sincere appeal to the Council. It must try to understand that this Parliament's primary task is to make the Community's interests visible and to represent the citizens of this Community and that we find it intolerable when we see the vital interests of this Community taking second place to completely narrow-minded questions. So it is as I have said: my group will vote against the budget unless the institution with which we are dealing, in this case the Council, submits suitable new proposals to us tomorrow, as it apparently intends. But I should like to emphasize that we cannot accept that these proposals are for some minor corrections to this or that item. The essence of political debate must be what motivates this Parliament, in other words major questions, not an argument between two book-keepers over what should be added to this column or that.

*(Applause)*

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

**Mr J. M. Taylor.** — Mr President, we have now reached the closing stages of the 1980 budget — at least it ought to be the closing stages, if the budgetary procedure had produced and refined a budget which the Parliament could look upon with any respect. Earlier this year, the Commission put up the preliminary draft budget to set in motion the synthesizing process — at least that is what it should be — between the Parliament and the Council as the joint authority for the Community budget. Sadly and regretfully, the Council hammered the draft budget into the same old familiar, tired, agricultural shape. I wonder what the founding fathers of the Community would have said if they had known that by 1980 agricultural spending would be touching 80 % of the Community budget. And so it was that this Parliament went for reductions in agricultural spending, because that is where the surpluses come from, and the encouragement of other vital Community activities such as energy, transport, the environment and the regions; but these progressive developments of the budget have been flung back at Parliament by the Council, if not with contempt, then certainly without any cogent explanation. In these circumstances, what does a responsible, elected Parliament do? Well, unless anything very dramatic indeed happens that might satisfy this group, I may say that we shall vote against it and reject it, and that is what this group will do — not because certain Member States can only gain from a better balanced and less lop-sided budget and not because it is an opportunity to show those who elected us what we can do, but because this is a bad budget for Europe.

*(Applause)*

## J. M. Taylor

That fact has been recognized in this Parliament by Members from nearly all nations and parties and groups.

Rejection of the budget is not a wrecking device or an anti-European initiative; it is a proper course for any Member who believes in the European Community and wants it to develop sensibly, progressively and in a balanced way.

Yesterday, in the Committee on Budgets and subsequently in this House, we had delivered to us a statement from the Agriculture Council, seemingly as an eleventh-hour attempt to persuade this Parliament to change its mind. Let us look at the statement. It runs to four paragraphs, mentions no date or deadline, and contains not a single sum of money, percentage or numeral. Instead it offers us 'sympathy and understanding, a sharing of preoccupations, and an urgent examination of proposals'.

So what? Mr President, the Council has been given an opportunity to act in accord with Parliament; we presented that opportunity and the Council went the other way, and so it is that with all our good intentions, with all our deliberations in the Committee on Budgets and in this Parliament, with all our care and attention given to amendments, we find ourselves at this pass where we have a bad budget before us. We have the power and the responsibility to act in those circumstances, and I feel this Parliament should.

Mr President, in the English-language version — I do not know whether it has been translated into the other five languages — that Council telex tails off with a whimsical footnote: it is probably an operator's signal, and it says at the bottom of the page: 'Thank you, it is very urgent, is there somebody there?'

*(Laughter)*

I would say this to the Agriculture Council: it is thanks to you that this is all so urgent, and yes, there is somebody here, thank goodness!

*(Applause)*

**President.** — We shall suspend proceedings and resume at 3.00 p.m.

The sitting is suspended.

*(The sitting was suspended at 1.00 p.m. and resumed at 3.00 p.m.)*

IN THE CHAIR: MRS VEIL

*President*

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

### 7. Urgent procedure

**President.** — I have received from Mr Glinne, Mr Ruffolo, Mr Adam, Mrs Cresson, Mr Balfe, Mr Estier,

Mr Arndt, Mr Dankert, Mr Lezzi, Mr Karl Schön, Mr Puletti, Mrs Van Den Heuvel, Mr Griffiths, Mr Key, Mrs Salisch, Mrs Roudy, Miss Quin, Mr Sutra, Mr Ferri, Mr Colla, Mr Cohen, Mr Moreau and Mr Percheron, on behalf of the Socialist Group, a motion for a resolution with request for urgent debate, pursuant to Rule 14 of the Rules of Procedure, on the outcome of the European Council in Dublin (Doc. 1-587/79).

The reasons supporting this request for urgent debate are contained in the document itself.

I shall put this request for urgent debate to the vote at the beginning of tomorrow's sitting.

### 8. Welcome

**President.** — I have the honour and pleasure of welcoming a delegation from the Israeli Parliament led by Mr Yitchak Shamir, Speaker of the Knesset, who have taken their seats in the official gallery.

*(Loud applause)*

We welcome this first Israeli visit to the European Parliament since direct elections, which also constitutes the fifth meeting between the delegations of both Parliaments. We very much hope that the contacts that will be established during this period and, in particular, during the working meetings of the delegations, will make for the renewal and reinforcement of the ties forged between our two institutions.

### 9. Votes

**President.** — The next item is the vote on the draft amendments and the proposed modifications to draft amending and supplementary budget No 3 of the European Communities for the 1979 financial year. We shall now consider the motion for a resolution contained in the Dankert report on this draft budget.

I call Mr Dankert.

**Mr Dankert, rapporteur.** — *(F)* Madam President, can you establish whether there is a quorum? If not, I propose that the vote on the draft supplementary budget should not be taken before Thursday, in other words before Mr Gundelach's statement, which I think is essential.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Madam President, when I spoke in the debate on the supplementary budget this morning, I made it quite clear — there are now of course more Members here now than there were then — that as Mr Gundelach was unfortunately in the Agriculture Council where he is seeking to persuade the Ministers to carry through a number of reforms which certainly we

**Tugendhat**

believe are necessary, and the House as well, he could not be here today, but I explained that I would answer as many questions as I could on the budgetary aspects and that if a second reading were needed he would of course be here on Thursday to answer the detailed but profoundly important political points which Mr Dankert raised this morning.

Of course, if the vote is put off until Thursday and the House should then decide to have two readings, it would be impossible to get the supplementary budget through in this session. Now the House is well aware of the problems which have already been created by the delay and I really would ask you, Madam President, whether it might not be possible, really I think for the sake of the whole Community, to ensure that the proceedings are carried through so as to enable a decision to be taken during this session. It is of course up to the House to decide what decision, but at least let it be a decision during this session.

**President.** — I call Mr Dankert.

**Mr Dankert, rapporteur.** — Madam President, the point of view of the Commission is, of course, completely valid. I fully accept that. If we vote on Thursday, I think we can have only one reading. That means that if we decide now because of the absence of a quorum to have no vote today, the rapporteur feels obliged, and I can only do so without consulting the committee, to withdraw my amendments and proposals for modifications, but I think it is politically essential to have the statement promised by Mr Gundelach. We are in the awkward situation that we cannot require him to be present, because of the fact that the Council of Agriculture Ministers is meeting at the same time as Parliament. I think nevertheless that he is indispensable for a final decision on the question of whether we shall reject or adopt the supplementary budget as proposed to us.

**President.** — I call Mr Bangemann.

**Mr Bangemann.** — (D) Madam President, I believe that Mr Dankert is wrong here. We must vote now to give the Council an opportunity to review our position tomorrow. If that is not done, we cannot adopt the supplementary budget. We must therefore provide a basis for the Council's discussions. That is the first point.

The second point I have to make concerns the question of whether or not we can adopt this supplementary budget. We shall not decide this until the second reading has taken place, after the Council has taken a decision on this tomorrow. By that time we shall have been able to hear Mr Gundelach's opinion if that should be necessary. But as the Committee on Budgets drew up this report in collaboration with the Commission, I see no reason why we should not take

the vote now. There is only one reason why we should perhaps not vote now, and that is that the necessary majority may not vote in favour of the amendment Mr Dankert has tabled. That does not seem to me sufficient reason not to take the vote now. I therefore ask you, Madam President, to take the vote on Mr Dankert's report and the amendments now.

**President.** — I call Mr Lange.

**Mr Lange, chairman of the Committee on Budgets.** — (D) Madam President, I believe that there are now enough Members here in the Chamber. I should also like to say one thing to Mr Bangemann: if, for example, the two amendments were not adopted, things would look somewhat different — where the formation of Parliament's opinion is concerned — as regards the negotiations which Coreper and the Council have to conduct. It would therefore help if the House could approve the proposals made by the Committee on Budgets so that a discussion on the supplementary budget is then possible. That is all I wanted to say, but in any case I believe the danger of there not being a quorum has now passed.

**President.** — I call Mr Marshall on a point of order.

**Mr Marshall.** — Madam President, it has been suggested that a quorum is not present. Looking around me I would say that a very full quorum is present, and I would suggest that any discussion based upon the false premise that there is not should be ended.

(Applause)

**President.** — I call Lord Harmar-Nicholls.

**Lord Harmar-Nicholls.** — Madam President, I do urge you not to allow a switching of the time-table once again. Everybody has been expecting this vote to be taken at this time, and if we change our timetable because some other meeting is deemed to be of more importance than this, then we are downgrading our own Assembly. I believe that we have got to establish our importance and significance, and Ministers must be made to understand that. The timetable is fixed, and I urge you, in the interests of the future working of this Parliament, not to allow it to be switched for such meagre reasons.

(Applause)

**President.** — I think, as several speakers have pointed out, that there is now a quorum.

I put this motion for a resolution to the vote.

I would point out that all the proposals relate to Section III — Commission.

In Chapters 62, 65 and 66 I have proposed modification No 1, tabled by Mr Dankert on behalf of the Committee on Budgets.

**President**

I put this modification to the vote.

This proposed modification is adopted.

*(Applause)*

On item 6200, I have draft amendment No 2, tabled by Mr Dankert on behalf of the Committee on Budgets.

I put this amendment to the vote.

As the result of the show of hands is not clear, a fresh vote will be taken by sitting and standing.

Draft amendment No 2 is adopted.

*(Applause)*

Some of you may be surprised that we are not using the electronic voting system today, but first of all it has to be tested. This I propose to do this evening. We shall then be able to use it on Thursday.

I call Mr Johnson.

**Mr Johnson.** — May I suggest, Madam President, that the votes on Thursday are a matter of great importance, perhaps even historic importance, and that none of us should seek refuge in the anonymity of electronics. I do believe that on Thursday we should proceed as we are proceeding today.

**President.** — I call Mr Klepsch.

**Mr Klepsch.** — *(D)* Madam President, in the case of the vote that may be taken on Thursday, I would recommend that we vote by roll call using the electronic system. This will make for a better record of the result for posterity than if it is declared here as seen. I therefore believe we can comply with the previous speaker's request and try to vote by roll call with the electronic system on Thursday.

**President.** — In Chapter 65, I have draft amendment No 3, tabled by Mr Dankert on behalf of the Committee on Budgets.

I put this amendment to the vote.

Draft amendment No 3 is adopted.

In accordance with the provisions of the Treaty, draft amending and supplementary budget No 3 for the 1979 financial year, thus amended, will be forwarded to the Council together with a proposed modification. We shall now consider the motion for a resolution contained in the Dankert report (Doc. 1-580/79).

I call Mr Baillot to give an explanation of vote.

**Mr Baillot.** — *(F)* On behalf of the French members of the Communist and Allies Group I should like to give an explanation of our vote on the supplementary budget, on which we are now asked to take a decision.

There might certainly be a debate to establish — as was done this morning — how and why the Commission's estimates are so far with a Virtually every aspect of agricultural production is known in advance, and at

the rate of inflation predicted by all the economic organizations, starting with the OECD, there was every reason to believe that it would be necessary to revalue agricultural producer prices, unless those in high places hoped to put up fierce opposition.

Today we are being asked to approve a supplementary budget of 731m EUA. The object of this budget is a revaluation of agricultural prices. The small and medium-sized farmers of France had demanded a greater revaluation than they have been granted to prevent their incomes from declining for the sixth consecutive year. Although it is not enough, this revaluation must of course be accepted. This budget is also aimed at helping to reduce stocks, particularly in the dairy sector, which are poisoning the European agricultural market, while millions of European families and hundreds of millions of families in the world could easily derive benefit from them.

This budget is also aimed — and as representatives of France we cannot be insensitive to this — at financing, as we had demanded, the urgently necessary repair of damage to the agricultural areas of Martinique and Guadeloupe caused by hurricanes David and Frederick.

For all these reasons we approve this supplementary budget. Any other attitude on our part could only be prejudicial to small and medium-sized farmers. In fact, since mid-November, the intervention agencies have not been making payments and farmers have not therefore been receiving the premiums and other payments to which they are entitled. A prolongation of this situation would harm farms already deep in debt.

However, before concluding, I should like to explain that our vote in favour of the supplementary budget should in no way be construed as approval of the policy pursued by the Council and above all by the Commission, which has considerable rights in the agricultural field. A year ago we opposed the 1979 budget for obvious reasons: we did not approve of the general slant of that budget. The supplementary budget does nothing to change this general slant. The votes cast today by the French members of the Communist and Allies Group must therefore be unequivocal.

**President.** — I put the motion for a resolution to the vote. The resolution is adopted.<sup>1</sup>

10. *General budget of the European Communities for 1980 (continuation)*

**President.** — We shall now continue the debate on the draft general budget for 1980.

I call Mr Spinelli.

<sup>1</sup> OJ C 4 of 7. 1. 1980.

**Mr Spinelli.** — (I) Mr President, I rise on behalf of the Communist and Allies Group. Mr Dankert has, as rapporteur, fully explained why the budget should be rejected and all I need say is that we are of the same mind.

At the end of the first reading of the draft budget, we said we were dissatisfied with the draft in the form in which Parliament forwarded it to the Council. At the same time, we recognized that substantial improvements had been made to it and that our Group had played a large part in getting them accepted. Today, a month later, we can see what the Council did with Parliament's work. It is hard to say which is the greater: the Council's arrogance towards Parliament or its irresponsible attitude towards the Community.

To deal first with arrogance, the Council has made a hollow farce of consultation with our delegation, the purpose of which was to bring the two institutions to a common point of view. The gentlemen of the Council, however, did not merely take note of our views. One or two of them expressed those of their governments, and some even went so far as to give us assurances which their subsequent actions showed to be false, as occurred in the case of the representative of one of the larger States, who told us that he would support Parliament's amendments on the EAGGF but coolly voted against them in the Council a few hours later.

Despite our appeals, the Council refused to let us have its preliminary comments so that we could consider them in conjunction with our own and see if we could agree. Again, the Council knew that Parliament would not, as a first step, accept as final a decision on the maximum rate of increase for non-compulsory appropriations since, under Community law, the rate can only be decided jointly by the Council and the Parliament at a later stage. The Council brushed all this aside and informed us that, as far as it was concerned, the last word had been said before we had taken any decisions or had any consultation with them. The Council evidently follows the same rule as the late Roman emperors, *sic volo, sic jubeo, sic jussu, esto*, and for example, rules that expenditure which is quite clearly non-compulsory is to be considered compulsory.

Finally, after rejecting the whole of Parliament's amendments, the Council assures us that it has noted our reasons with understanding; one wonders whatever it would have done if there had been no understanding. And now, at the eleventh hour, it has suddenly realized that, in all probability, its draft will be rejected by Parliament and is taking the unusual step of offering further conciliation, which is so important that it must take place tomorrow! I wonder what there is left to agree on. The Council cannot now alter its draft because all the deadlines have gone by; it can only tell us that it is prepared to make a concession

on the maximum figure for commitment appropriations. This is *Taschengeld*. (I know that the Council has ruled that this word must no longer be used because of a sudden realization that it was insulting to Parliament but *Taschengeld* it remains, nevertheless). In exchange for this *Taschengeld* of a few hundred million units of account, the Council is asking us to adopt its draft budget and rest content with the assurance that expenditure on guaranteeing agricultural prices will in future be brought under control. But we cannot forget how often and over how many years the Council — whether as the European Council or otherwise — has promised to curb this expenditure without the slightest effect. Now that the Council has grasped the fact that there must be an agreement with Parliament, it will just have to accept our refusal and get down at once to the job of working on a new budget which takes account of Parliament's demands.

Is its arrogance just a reflection of the Council's outstanding efficiency or of consciousness of its responsibility in dealing with Community affairs? Neither, of course, and tomorrow there will be lengthy references to the futility of the European Council in Dublin because it failed to deal with the question of a more equitable distribution of Community taxation, the question of providing the Community with badly needed structural policies which are tougher and better integrated, or the Community's crying need for new resources.

But to return to the Council's decisions on the budget. In response to Parliament's demand for a reduction in expenditure to support agricultural prices, the Council has submitted a supplementary budget of almost 800 m EUA for 1979, while restoring the astronomical figure for milk subsidies in 1980. This expenditure is not the result of some natural catastrophe but of a financial catastrophe caused by the Council itself when, a few months ago, it approved new prices for milk. The Council wants a Community budget capable of guaranteeing Community loans but refuses to itemize them in the budget. In claiming to fix a low maximum rate of increase for commitment appropriations, the Council is contriving to smother Parliament's proposal that these appropriations should be used for the planning of the Community's financial policy on a multi-annual basis, which is a *sine qua non* for any community, especially one still in process of development.

In the circumstances, there is only one way in which Parliament can reply to such arrogance, and that is by rejecting the budget and asking the Commission to prepare another preliminary draft and, as a consequence, the Council to present a fresh draft. In doing so, Parliament will be proposing the only proper course for the restoration of the inter-institutional cooperation which is so necessary for the well-being of the Community. We want cooperation, not war, between the institutions.

**Spinelli**

This morning, Commissioner Tugendhat warned us, rather vaguely but with a sort of 'ideological terrorism', of the terrible consequences if we rejected the budget. It is true that, if the Commission goes to sleep or, as one of its officials told the Committee on Budgets the other evening (whether speaking for himself or for the Commission I have no idea), refuses to draw up another preliminary draft budget, it will paralyse the Community. But, gentlemen of the Commission, you will be the ones to blame because, in the Community, it is always your job to make proposals. If, however, the Commission gets on with it, only a few days will be needed to incorporate the substance of Parliament's proposals in the previous preliminary draft budget and only a few weeks to propose the necessary changes in the Regulations on milk which you have had in mind, and probably even in draft, for several years. Nor does the Council require more than a week or two to reconsider the position in the light of the fact that, from now on, it must pay regard to what Parliament wants. As far as we are concerned, I am sure that the House will not waste the time of anyone who is prepared to be reasonable.

With today's debate, we shall be marking the close of the year of the European election and making it known to Europe, our countries, our governments, our institutions and, indeed, ourselves that the people of Europe sent us here to cooperate in working out a policy for the development and advancement of the Community and that we have tried to ensure that this is recognized by all concerned. If, however, we accept this budget and the crumbs offered us by the Council, we shall be telling Europe, the governments, our institutions and ourselves that we have given up trying to mean anything and the Community will somehow muddle through with its weary bureaucratic routines and the constant triumph of individual interests over the general good.

The Italian Communists and independent members of the Left have made their decision and we shall vote to reject the budget.

*(Applause)*

IN THE CHAIR : MR ROGERS

*Vice-President*

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

**Mr Rossi.** — *(F)* Mr President, I should like to begin by saying how unfavourable an impact the Council's decision of 23 November had on all my group. We are parliamentarians who are aware of the assignment we have been given by our constituents. We are parliamentarians who want to see the institutions, each with

its own responsibilities, functioning in accordance with accurately defined and well balanced relations. And there should therefore be no question, we feel, of allowing our powers to be treated casually, particularly those concerned with the establishment and adoption of the budget.

We have no use for friendly and meaningless phrases such as 'sympathy and understanding', which the Council of Ministers offered us while rejecting with almost unprecedented brutality our amendments, including those which concern payment appropriations, where we had clearly stayed within the set margin.

We had all the more reason to show our resentment as we had not approved all the amendments at the first reading. In particular, we felt that certain agricultural amendments were not the right answer to various difficulties that had arisen in the functioning of the common agricultural policy and above all with regard to the increase in the cost of certain agricultural surpluses.

Our position is well known, since we have always said that although we hold very fast to the basic principles of the common agricultural policy, we are prepared to seek any means that allow us to master the growing trend in certain items of agricultural expenditure. And we have said, and we continue to maintain, that this search must not take the form of a few budgetary amendments : there must be a proper debate entirely devoted to the common agricultural policy. We have therefore proposed that one of the first part-sessions in 1980 should be devoted to this subject, it being understood that it is for the Council to take the necessary decisions within the framework of its legislative powers.

My aim in referring to this was not to say that we did not like anything that Parliament adopted at the first reading. Far from it. But it has been impossible for us to accept either the substance or the form of the Council's attitude.

The reaction of many of our colleagues was initially simply to reject the budget. And, I must say, we are still tempted to abide by that position. But our thoughts have gone beyond emotional reactions, and we have asked ourselves if it would be reasonable to bring the budgetary procedure to an abrupt halt in this way before all the possibilities offered by the Treaty had been exploited.

What we have to do is forget the customs of our national parliaments, where the budgetary debate is complete in itself and finishes with a vote, whereas the Community procedure — because it has the novelty of leading two institutions along parallel paths on which there are compulsory meeting points — comprises two readings. Do we therefore have the right to do away with this second reading by taking a prior vote, which would deprive us of the possibility

**Possi**

of continuing the discussion with the Council and endeavouring to obtain from it the substantial concessions we expect?

As far as we are concerned, the situation is clear: it is not a question of reaching any kind of compromise, but of forcing the Council to understand that we share budgetary power with it and that the two institutions have an equal share of this power.

The Council and the public must realize once and for all that since the new procedure was introduced in 1975, we have not simply been the 'givers of advice' and still less mere onlookers: we genuinely share responsibility for the budgetary act.

It was with this in mind, while agreeing with the motion for a resolution as a whole and with the criticisms and wishes to which it gives expression, that we tabled amendments last week aimed at allowing conciliation to run its full course and at giving the Council a last chance not to provoke a major crisis for our institutions.

Our two amendments are straightforward. They reassert the position adopted by Parliament at the first reading. I can summarize the first in four sentences:

Reinstatement of the amendments including those that relate to the budgetization of the European Development Fund and loans. Then, an acknowledgment that it is inevitable that the margin of increase for commitment appropriations will be exceeded. Parliament's desire to see the Council allow a new margin for this type of appropriation. And finally, a formal declaration by the Council on the search for means of limiting the cost of certain agricultural surpluses.

The second amendment stems logically from all these demands: if we are not given satisfaction, we shall vote unanimously against the budget.

In proposing this conciliation, we hope to ensure that Parliament itself is not accused of having provoked the crisis. If there is to be a crisis, the Council will be to blame.

And we also have the feeling that this fear of being held responsible for a possible crisis has already caused the Council some anxiety. Our appeal, made even before the Council of Budget Ministers had decided to meet, has begun to prompt an initial reaction — yes, an initial reaction, because we hear that the Council of Agriculture Ministers has entered into an undertaking which seems to be some way towards alleviating the concern felt by our Parliament, and that at the same time the Council of Budget Ministers has agreed — and this is really exceptional — to meet on our premises on Wednesday.

The undertaking of the Agriculture Ministers should be underlined as we have here not the expression of simple intentions but the promise that while the basic principles of the common agricultural policy, to which, as you know, we attach great importance, will

be respected, the Commission's proposals will be examined without delay with a view to their implementation starting with the next marketing year. But this undertaking should be studied in depth, since our Parliament hopes that the conclusions the Council draws will involve a real reduction in the cost of certain agricultural surpluses. What the chairman of our Committee on Budgets so happily called 'Parliament's signal to the Council' has been noticed. It is now for us to ensure that it is put into effect in the most fitting manner and as quickly as possible.

Wednesday's meeting, as I have said, will be a rather exceptional event, since it will not take the form of the usual meeting of the President of the Assembly and the President of the Council at the end of the procedure, but of a meeting of all the Ministers and of a new phase of conciliation, in which a delegation from the Committee on Budgets will participate.

The stage is therefore set for an attempt to win agreement for our demands. It is in this spirit that we have tabled our amendments, but, I repeat, they are based on the determination that the requirements brought to light by the debates should be met. To make things quite clear, I will remind you of the aims of these amendments: reinstatement of the amendments and agreement by the Council to a new rate of increase for commitment appropriations. And I will add to this: confirmation and comments by the Budget Ministers on the undertaking entered into by the Agricultural Ministers. Without this, I will say again very formally we shall vote unanimously against the budget. But before we do this, I should like everyone here to realize that opening the discussion and voting on the amendments in no way prejudices each Member's right then to vote on the budget as a whole, even if he votes against.

I should like to summarize my conclusion in one sentence, which characterizes the thinking of all my political friends. We did not want to submit to the easy temptation of engaging in a prestige battle between the institutions. We have opted for effectiveness, and at the end of the day it is this demonstration of our ability to be effective which will give our young Assembly real prestige.

*(Applause)*

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

**Mr Ansquer.** — *(F)* Mr President, the second reading of the 1980 general budget represents the second act of our part-session, which I would describe as the 'grand spectacle'.

As every year, the Council of Ministers has been very severe with the Assembly's proposals. The proposed modifications relating to agriculture have been rejected. The amendments relating to non-compulsory expenditure have been eroded.

## Ansquer

But what is different about the unfolding of the budgetary procedure compared with previous financial years? Nothing, it seems to me, ladies and gentlemen.

The Council has never adopted a very conciliatory attitude towards proposals which were a threat to the agricultural policy. Nor is there anything new about what the rapporteur is trying to do.

Several other Members of our Assembly have taken similar action against the Guarantee Section of the EAGGF. There has been an abundance of proposals aimed at reducing the appropriations for various operations under the common agricultural policy. Others have proposed a symbolic reduction by one unit of account. Yet others wanted to see some of these appropriations placed to reserve.

The Assembly has always rejected these proposals.

The danger of adopting such modifications was that they would distort the nature of agricultural spending and threaten the rights acquired by the citizens of the Community. Expenditure is generated not by the inclusion of appropriations in the budget but by the occurrence of various external factors, such as the harvest, the export of products and the level of prices, which entail undertakings the Community must honour. Consequently, budgetary reductions that are both artificial and arbitrary cause very serious disadvantages.

Between the consideration of the 1979 budget and that of the 1980 budget a new and very important factor has occurred. The Assembly has been elected by direct universal suffrage, but its budgetary powers and its responsibilities have not been changed.

In this new Assembly the supporters of a change in the common agricultural policy by budgetary means, who used to form a minority, have become the majority, and the proposals that were still being rejected yesterday have today been adopted. I can say nothing against this: it is the law of democracy.

The Council for its part has dismissed them. That too is its right. All we have is the normal interplay of the institutions and the exercise of their respective powers.

So it is not worth preaching revolt or advocating revolution, especially as the Council has said it acknowledges that the Assembly's action is well founded and has even expressed its desire to bring agricultural spending under control. Our rapporteur's obstinacy in leading this Assembly to total rejection while seeking to ignore, in particular, the importance of this declaration, is a clear expression of his desire to provoke a serious institutional conflict.

As regards expenditure on the sectoral policies, for which the Assembly is responsible, it is true that the Council has refused the appropriations needed for the energy policy and for the industrial policy. The trans-

port sector has not been spared, nor has research. All the amendments relating to maritime policy have been rejected. The Council has agreed to only half of the increase proposed by the Assembly for the Regional Fund. All the proposals concerning food aid have been cut back.

No progress has been made towards the budgetization of the European Development Fund or of loans.

Therefore, while fully aware of the urgent need for budgetary restrictions facing the governments and all the Member States in the present crisis situation, we very much regret the excessively restrictive attitude adopted by the Council.

However, the budgetary procedure has not been completed. We are starting on the second reading of this budget, during which there must be a renewed attempt at conciliation between the Council and the Assembly.

The Group of European Progressive Democrats will not therefore support a decision to reject the budget as a whole until all the stages of the budgetary procedure, and particularly the conciliation meeting and the voting on the amendments, have been completed.

And we condemn a ploy of this kind, the motives for which go well beyond the genuine concern which we must feel.

The course our Assembly has chosen is confrontation and deliberate institutional crisis.

There is no justification for a decision to reject the budget as a whole at this stage because the budgetary procedure has not been completed. It would represent a downright rejection of the dialogue which we demand in the name of democracy.

Can you imagine other motives? Vexation, because the Assembly's agricultural proposals have been cut back? I cannot believe that. Annoyance, because certain newspapers in certain countries, where they have a more developed theatrical sense, have referred to 'a humiliated Parliament'? I cannot believe that either.

So, ladies and gentlemen, I appeal for good sense and reason. Let us not allow ourselves to be dragged towards a serious institutional crisis. It is clear what the strategy is, and the desire to provoke a conflict is obvious. That also shows in the resolution that has been put before us and in the explanatory statement, where a particularly inflammatory tone has been used.

The supplementary budget for 1979, there can be no doubt, forms part of the same strategy. The refusal to take part in the interplay between the institutions until the very end, the contempt shown for the budgetary rules, particularly those regarding the classification of expenditure, is pushing our Assembly into a situation in which it is exceeding its powers and changing its nature.

## Ansquer

For these reasons, the Group of European Progressive Democrats rejects a concept of this kind and the exercise of the right to reject the budget to these ends.

We consider that rejection is a weapon which may only be used at the end of the procedure, when conciliation has failed, and we denounce the procedure adopted by the Committee on Budgets, which since 30 November has been aimed at the adoption of a motion rejecting the budget.

On the other hand, my group is in favour of the adoption of all the amendments regarded by our Assembly as having priority, so that a satisfactory compromise with the Council may be sought.

However, putting back on the negotiating table all the amendments adopted by the Assembly at the first reading is not a reasonable solution either. It stems from the same thinking as total rejection. It is a refusal to negotiate and a desire for failure.

I shall conclude, Mr President, ladies and gentlemen, by expressing the hope that our Assembly will not fall into traps which would detract from the interest taken in it and from the trust our fellow citizens placed in us in June.

*(Applause)*

**President.** — I call Mr Bonde.

**Mr Bonde.** — *(DK)* Mr President, the Danish People's Movement against the European Community is opposed to the draft general budget for 1980 which we are discussing today. The point of view which I am to put forward here is an unconventional one, for we consider that the Council has already conceded more than is desirable, for instance by accepting Parliament's own budget without amendments, and we certainly cannot ask the Council to agree to compromises in the coming consultations with Parliament's Committee on Budgets.

Judging by the attitudes shown in this first directly elected Parliament, it seems quite obvious to me that sooner or later we are in for a constitutional conflict. The overwhelming majority of those assembled here want to extend Parliament's budgetary powers and they also want its budgetary powers to be accompanied by legislative powers of its own. This Parliament wants, quite simply, to be a Parliament for the Nine, and, as we know from our own parliaments, their influence on legislation, on the appointment of governments and so on, this Parliament, in its desire for power, will brook no compromise. If the Council makes major concessions, that will merely be taken as a signal for Parliament to demand more next time and it will not cease to demand more so long as the Council has any power left at all.

It is of fundamental importance, in our view, that the tax paid by our people should be used by the national parliaments. The national parliaments have the last word, so long as decisions rest with the Council, where there is the right of veto. This is in accordance with the treaties and the related Luxembourg compromise. It is true that Parliament has certain limited powers over the so-called non-compulsory expenditure because of the maximum rate of increase, but this power is confined to entering expenditure in the Community budget. Adoption by Parliament is not a sufficient legal basis to allow the Commission to make payments, even if we have had a few examples of such an — in my opinion — illegal practice. Therefore, Parliament's influence is limited to control over Community expenditure. By all means let us have a debate about unnecessary waste, for example, money paid for surpluses. That is a useful role, even if a proper control of excesses and the debate itself are things that are best left to our national parliaments, where everyone understands everyone else because we speak the same language. But as for power to decide the budget, this the European Parliament does not have according to the rules, nor will it ever have, provided the Council stands firm and does not allow itself to be bullied into a compromise.

The threat now being made to reject the Community budget, is, in my view, an empty threat. Parliament can, of course, reject the budget under the provisions of the Treaty, but it cannot adopt a new one, and it cannot force the Council to submit a new one.

All that will happen if Parliament rejects the budget is that the 1979 budget will apply to next year under the procedure for payment by twelfths. If this is not enough for agricultural expenditure, for instance, the Council has the last word on budgetary increases so Parliament will be unable to stop a single penny going to the Community's farmers. Parliament can, on the other hand, block certain increases in non-compulsory expenditure, for example regional fund expenditure, which most of those in this Chamber have so much at heart. In other words, Parliament can cut off its nose to spite its face. This is all that the threat to reject the budget really means and I cannot say I feel impressed when someone threatens to cut off his nose to spite his face, and I hope the Council is not impressed either.

Parliament wants to use the 1980 budget to hold a pistol to the Council's head, but if someone is threatening you with a pistol, you do well not to approach him, otherwise you may get shot, even if the pistol only contains blanks. To make sure you do not get hurt, you must pick up your shield and the shield in this case is the clear proof in the treaties that it is the Ministers of the nine Member States who are responsible for legislation in the Community. This legislative power must not be undermined by Parliament's

**Bonde**

attempt to get its own hands on the Community's purse-strings. I therefore urge the Council to stand firm at its meeting tomorrow with Parliament.

The Council has not changed anything in Parliament's own budget. That means that the Danish Government, for one, has accepted substantial increases in expenditure to keep this Parliament going. Contrary, in my opinion, to the clear promises given to our people before direct elections, it has now been agreed that the 16 Danish and Greenland Members should be paid more, like royal princes. Moreover, this increase in our remuneration comes at a time when most Danes have been told that their real wages are to be further reduced by 5 %.

And I want to tell you something funny. The increase in the remuneration of Members of the European Parliament is in direct conflict with the financial guidelines adopted by the Community. For Denmark, these guidelines, which are supposed to be binding, recommend a decrease in wages, but what we are getting in this budget is a massive increase. If this were simply a sign of recognition that the guidelines concerning a reduction in wage levels were wrong and other people in our country were now to be given corresponding increases, I personally would have no objection. None the less, I would say this: if the idea is to depart from the 'binding' guidelines and substitute wage increases for wage reductions, there are other groups in the population who are in greater need than we are. One could begin with the pensioners, for example, who are having difficulty this winter paying their heating bills. One could begin with young people still in training, who are having to live on starvation wages. One could begin with the low-paid workers, who can scarcely make both ends meet. But may I suggest that we do *not* begin with ourselves, who are both having our cake and eating it. Lastly, I wish to say that we cannot vote for the draft budget for 1980.

(Applause)

**President.** — I call Mr de Goede.

**Mr de Goede.** — (NL) Mr President, ladies and gentlemen, the present situation in the Community can scarcely be described as favourable. I will give four examples. Firstly, the meeting of the European Council held in Dublin, where the British axe was provisionally removed from the roots of the European tree. Secondly, a genuine European act of solidarity in the environmental field, namely the action to stop further salination of the Rhine, has been made impossible by France. Thirdly, the economic development of the Community in 1980, which we shall be discussing on Thursday on the basis of Mr von Bismarck's report, is giving cause for concern and there is imminent danger that the protection of national interests will be preferred to Community action. The energy policy is a vivid example of this.

Fourthly, the acute danger of a clash between Parliament and the Council over the 1980 budget.

In the few minutes I have available I must confine myself to a number of major issues. I believe that on 7 November Parliament not only made use of its rights in resisting the Council and Commission: even more important is that it did not want to back out of the obligations imposed on it by the elections in July of this year. 250 million European citizens made it the duty of us European parliamentarians to represent their interests. In my view it was rightly pointed out on 7 November that the approval of the 1980 budget is subject to three conditions, which directly concern the interests of our citizens. The first condition is that the cuts in non-compulsory expenditure wrongly made by the Council must be reversed. I would point out that non-compulsory expenditure offers this Parliament limited opportunities of solving the problems of immediate interest to the people of Europe, namely employment, energy and the environment. The second condition laid down in the resolution of 7 November was that the first step must be taken to curb agricultural spending, because everyone surely knows that intervention is becoming inevitable and that if no action is taken, agriculture and perhaps the whole Community will in the somewhat longer term collapse. This too is of interest to the citizens of Europe. The third condition was that the European Development Fund and Community loans should be included in the budget.

This affair increases in importance as we fail to increase own resources. Parliament put forward practical proposals to satisfy these three conditions. The rapporteur's motion for a resolution rightly says that Parliament's primary objective is to bring agricultural expenditure under control, that it has every sympathy with the financial difficulties facing the Member States and that a very modest package of increases in non-compulsory expenditure is proposed, many Members of Parliament having wanted considerably less. The increases proposed by Parliament, 276 m EUA in non-compulsory expenditure and 913 m EUA in commitment appropriations, are equivalent to less than 2 % and 5 %, respectively, of the total budget. If the Council had accepted these proposals, it would have been possible to strengthen the key sectors of the Community's policy, as we had promised our constituents and for which cooperation at Community level is urgently required. The European Regional Development Fund, the European Social Fund, the development policy, the coal sector, new sources of energy, and so on. Like the rapporteur and many of the previous speakers in this debate, I am convinced that this would have been the first step towards achieving a fair distribution of the consequences of the Community budget for the various Member States.

I therefore fail to understand why the Council has so roughly rejected Parliament's views on these three

de Goede

points. It means that the Council does not really concede that Parliament has a genuine role to play as part of the budgetary authority, which is responsible for the budget as a whole. It is also difficult to understand because the Council cannot ignore the fact that elections have taken place, through which not only have we Members of Parliament been given a direct mandate, but the perhaps reluctant wave of interest shown in the European cause by our Community, by our peoples has for the time being died down. Is the Council blind to this? Finally, it is difficult to understand, because the Council should after all have realized that any self-respecting Parliament can only respond with a proper reaction, namely the rejection of the budget.

What does the Council want? Stagnation? Decline? Collapse? because that, I feel, is the real meaning of the Council's attitude towards Parliament. To put it nicely, does the Council perhaps feel that Parliament can go on talking, but it must not have any influence? Why then were elections held? If that is the Council's view, it is a real slap in the face for the 250 million citizens of Europe, and it simply widens the gap between the rulers and the ruled. It was this gap that we wanted to narrow with the elections. Parliament cannot and must not accept this. It is incredible that even last night — I am referring to the spineless statement by the Council of Agriculture Ministers — the Council did not want to come to terms with Parliament and so avoid the problem at the last moment. As I have already said, this can only lead to the rejection of the budget.

It is also incredible that all the statements on a possible increase in own resources have hitherto been negative. It is incredible because the margin from which non-compulsory expenditure must come is becoming increasingly tight as a result of the agricultural policy, and the budgetary rights Parliament has are being curtailed as a consequence.

I join with all the previous speakers in an urgent appeal to the Council to come to terms with Parliament this week and not to attempt to appease it with a pittance. If the Council is not prepared to do this, Parliament must inevitably use the only real weapon it has, the rejection of the budget. We realize that this will cause a serious situation to aggravate an already serious situation. But the political responsibility lies with the Council.

As regards the Commission, it must produce a new preliminary draft. Rumour has it that the Commission wants to leave this to the Council. I would find that wrong, incomprehensible and dangerous. After all, the Council can only take its decisions on the basis of proposals from the Commission. The Commission must do its duty and, more important, it must also realize that Parliament and the Commission should be allies in this.

**President.** — I call Mr Arndt.

**Mr Arndt.** — (*D*) Mr President, about six months ago we were roaming Europe and telling our constituents that with the direct elections a new chapter would be written in European history. Now we can show whether that was just talk or the truth. Now we can show whether Parliament is simply the instrument of the various national Governments or whether it takes its decisions independently and on its own responsibility. I believe I have the right to say this, because in this question I myself oppose my own Government, and the head of that Government is supported by my political friends.

Mr President, we respect the independence of the European nations in the European Community. But we also know that no nation can solve the problems of the future alone. Only together will they be able to affirm the values of European humanity. But if we are to do justice to this task, we need a strong European Parliament.

The Socialist Group expressly states that this Europe can be built only on the principles of democracy. On this there is fundamental agreement among the vast majority of the Members of this Parliament, Mr President. But the principles of democracy clearly mean that governments and administrations must respect the will of Parliament as the will of the citizens, the electors. It would not accord with this Parliament's conception of itself to bow to the Council of Ministers in contradiction to the will expressed by this House on 7 November.

All of us here have been given politically different assignments by our constituents. But one assignment is common to us all, and that is that we must carry out the assignment we have been given by the electorate. Our constituents have not sent us to this Parliament *not* to do what they expect of us. Together we have the task of forming a strong Parliament, a Parliament that gets its way. This is the most important task, and one common to all political groups, and we will be judged after this part-session by our ability to fulfill this task. Mr President, the Socialist Group is dismayed at the Council's attitude. I would add that it is also somewhat dismayed by the views of Members of this House who fully support the Council's attitude. The Council is saying that there must be a Council regulation on a new policy and only then may Parliament fix the appropriations. The Council is saying that it must first take decisions on amendments to certain arrangements. If that is the case, Parliament must make the funds available for this Council decision, in other words, as the Council sees it, Parliament may not take a decision until the Council allows it to do so. That is certainly not what the citizens of Europe wanted when they went to the polls. Seven months after the direct elections the Council should

**Arndt**

at last understand that Parliament is not simply its agent, but that Parliament is the representative of the citizens of Europe, as it is laid down in the Treaties. It may be that the Council meant well when it tried to console us by saying that it quite agrees with the aim of our decisions. But we really ought to be deeply shocked by such a statement, because the electorate did not send us to this Parliament to be consoled by a Council statement: they sent us to this Parliament to force through the policy which we promised them. The Council has, after all, said that the course adopted in our amendments is the right one, in other words, it confirms that we are pursuing the right policy, one which the Council has not yet been able to translate into reality. We shall today be discussing various points relating to specific amendments. But I think I can summarize by saying that Parliament is probing in the right places: employment policy, regional structural policy, agricultural policy, energy policy, and development aid. In all these major sectors the Council has ultimately rejected Parliament's proposals.

Mr President, in its initial stages the European Community was there to protect economic interests. This meant the liberalization of trade and the creation of a common agricultural policy. We are now entering on a second phase, and this second phase requires greater regional and social balance in Europe. In this proof must be given of European solidarity, it must be proved that we can achieve this social and regional balance everywhere. The budget must satisfactorily perform its balancing and supporting function in this respect, balancing and supporting the poorer and wealthy regions of this Community. That is what Parliament has done with its decision. That is reflected in our draft 1980 budget.

I must stress a second aspect in this context. We are concerned that the common agricultural policy should also be safeguarded by our decisions. None of us wants to abandon the common agricultural policy. On the contrary, Mr Ansquer, I should like to make this clear: if we do not solve the problem of surpluses, we shall be jeopardizing the common agricultural policy. Wanting to solve the problem of the surpluses means saving the common agricultural policy. Doing nothing about the surpluses is certainly no way to save the agricultural policy. The problem of the surpluses will certainly not be solved by price policy means. In any case, it can only be solved slowly and progressively with an incomes policy for the small and medium-sized farmers, in other words with measures to improve structures. This is precisely what Parliament did on 7 November, Mr President, that is precisely the aim of the draft 1980 budget. What must we do? Contrary to the assertions made here by various Members, the budgetary procedure has normally been completed by the Council in November. It is not therefore true that Parliament is refusing further nego-

tiations: normally — you need only look at the Treaties — the Council concludes the procedure with its decision at the end of November, although Parliament may refer the budget back to the Council. That is what we intend to do if the Council does not change its mind tomorrow.

The budgetary procedure is complicated because it is different from the procedures used by the national parliaments. Parliament cannot change compulsory expenditure by means of individual amendments. Such change is possible only through the rejection of the budget, which means starting the budgetary procedure again. Otherwise — as Mr Klepsch said this morning — the procedure is quite normal, since it is as provided for in the Treaties, in other words this procedure is not a confrontation but a procedure as allowed and in this case required by law. I therefore believe that only if we reject the budget or say that we will reject it unless something happens, will it be possible to get the Council to think again. Parliament must show that it has overcome its teething troubles. Parliament must now prove its credibility. We know what rejection means. It means that all the various budgets, including those that concern the staff, and also Parliament's own budget, will be rejected. We know that Parliament will need a great deal of time for the new draft budget, and we know that the attempt will be made to blame Parliament for this situation. We must put up with this. It is in fact no longer important whether individual political groups have voted for or against a given amendment. What is important is whether we voted for or against the resolution on 7 November. All that is important is that Parliament and all its political groups should make it clear to the European electorate that it was worthy of the direct elections.

The members of the Socialist Group are not claiming to be the only political representatives. We realize that progress towards social democracy in Europe will require cooperation among the parties and political groups. I am therefore glad that Mr Klepsch, Mr Spinelli and Mr Taylor have made this clear here today, and Mr Rossi has also said that subject to certain conditions his group will also reject this budget. It is therefore evident that in the present circumstances joint rejection would be in the joint interests of Parliament, unless the Council comes up with some better ideas in a clear statement rather than a few vague sentences.

*(Applause)*

**President.** — I call Mr Notenboom.

**Mr Notenboom.** — *(NL)* Mr President, I am very pleased at the wide measure of agreement that has slowly emerged during this debate. This is very important for the place of Parliament in the European Community.

## Notenboom

My group considered this debate so important that its Chairman wanted to speak first on its behalf. Consequently, I do not need to go into a number of fundamental, political ideas in which my Group believes; Mr Klepsch has already done so.

Nor do I want to repeat what I have already said at previous part-sessions. This is, after all, the fourth general debate on the 1980 budget, leaving aside the debate on priorities we had in the spring. All I want to say is this: Parliament has acted with a sense of responsibility. It demonstrated its sense of responsibility for the European Community at the first reading by requesting only minimum increases in expenditure in areas where it is urgently needed to maintain the process of European integration, by insisting that certain expenditure which is threatening to get out of hand or is already more or less out of hand, be brought back under control, and by proposing certain reductions in the administrative field.

For example, Parliament increased payment appropriations less than it might have done by virtue of the maximum rate of increase, which has never happened before. It showed its sense of responsibility. And we have not been rewarded for this. I am very sad about this. To give another example, the Committee on Budgets proposed reductions in administrative expenditure, but the Council did not agree, probably because the idea was Parliament's.

The rapporteur has already said in his report and explanatory statement that most of the arguments advanced in support of this action were completely unsatisfactory. I would add to this that some of them were an insult. We are well aware that most decisions in the Council come about precisely because of its inability to take decisions. Later such decisions are supported by arguments which are a mere blind but for us they are an insult.

I do not intend to list the cuts made by the Council that we find so very disappointing. I agree with what a number of speakers have already said in this respect. I will merely give one example of major items of expenditure and one of minor items. Just two examples which, I feel, have not yet been given. The major items include expenditure on the steel sector. From the new Chapter 54 30 m in payment appropriations and 100 m in commitment appropriations have been deleted. We surely want the trade unions to support the steel policy. Unfortunately, there must inevitably be dismissals in the steel industry and a number of painful measures for the workers must be taken. So we want the trade union movement behind us, but when it comes to taking a number of supporting measures in the social field, the Council says 'no'. The Council does not then approve these monies.

It is a very good thing that the media know why. They say that the Council thought this amendment was a

proposed modification. In other words, it concerned compulsory expenditure. Nowhere does it say why, however. They also say the Council did not approve this proposal. And that is why it was rejected. That is a tautology. That kind of argument is supposed to keep this directly elected Parliament happy.

An example of smaller items of expenditure: 200 000 EUA to enable small and medium-sized undertakings to participate in European affairs. European industrial employers participate through UNICE, the European trade union movement through the European Trade Union Confederation, and they receive subsidies, for which incidentally an increase has not been allowed, and the European farmers participate through COPA, while the fourth group, the small and medium-sized undertakings, do not participate, because not even minimum funds are available. Every two years the Commission and the European Parliament propose that this Group should be given a small allowance so that it may also participate in European affairs.

But no, the Council deletes the amount and says that no new arguments have been advanced, even though I and others have defended this group in Parliament.

Those were just two examples. There are many more, and many have already been given. I shall not repeat them.

We feel insulted at being treated in this way, when Parliament has shown such a great sense of responsibility.

And now to compulsory expenditure.

Despite the Council's avowed sympathy with the aims and even the arguments presented by Parliament, which wants expenditure in the dairy sector in particular brought under control, the Council has not adopted a single proposed modification. A minority of the Council, 18 votes, would have been enough. But there were only 15 votes in favour. We speak of Parliament as an institution and of the Council as an institution too, and we in fact deal with each other as institutions. But if we looked at Parliament through a magnifying glass, we would see that the parliamentary decision-making process is also based on a *choc des opinions* when it comes to the final vote.

And that is how it is in the Council. And that is why I thought it would be a good thing to consider briefly how things happen in the Council, as I see it. A minority of 18 votes would have been enough for the adoption of one or two important modifications proposed by Parliament. But this minority was not achieved. I realize we have to deal with the Council as a whole, but on this one occasion I should like to thank the delegations from Italy and the Netherlands on behalf of my group for their stand in the Council. They were very close to Parliament in this important area. I shall not be saying this kind of thing often, it

## Notenboom

would not be proper. We must after all speak to the Council as a whole. But we must also understand how decisions are taken in the Council. I can appreciate that even Mr Dankert finds the voting of some Member States completely incredible. It was completely in conflict with what those Member States have been saying for months about expenditure on milk and the agricultural policy.

Another explanation for the way things are done in the Council is, I feel, that a certain Member State still manages to have itself represented by a senior official, a person for whom I have particular respect, but while Parliament is accustomed to take part in consultations under the leadership of the most senior figure we have, our elected Lady President, one Member State is represented by an official. At a meeting that began at about 10 o'clock in the morning and lasted until 2 o'clock at night, this Member State was represented by a senior official. The relevant Minister was present for perhaps ten minutes. What meaning does consultation have in such circumstances? What margin for manoeuvre do we have then? Are sterile decisions not bound to emerge from a situation of this kind? This dates back to the old Europe, when officials were in charge. We of course owe a great debt of thanks to the intelligent, very expert officials of the Commission, Council and Parliament.

*(Applause)*

But now, after the direct elections, political decision-making is a matter for the politicians: the Members of the Commission, the members of the Council and the Members of the European Parliament, supported by extremely knowledgeable officials, for whom I have the greatest respect. The politician should not be absent, leaving the work to an official for a whole day. That is what happened on 23 November. It is not my intention to accuse a Member State, but to criticize this manner of conducting affairs, because it partly explains the failure of 23 November. And it is also one of the reasons why we refuse to accept the outcome of such meetings. That we will not do.

But it also means that when such a Member State realizes that it cannot go on like this in the present circumstances and that it must watch its step, there is considerable room for improvement within the Council. We therefore have hope, but this hope will grow substantially if our colleagues in the Member States call their Ministers to account. I have the impression that attitudes on this still differ considerably in the various Member States.

There are national parliaments in which a month never passes without there being a debate, an oral question or a written question on the attitude of Ministers in the Council, and when they return from a meeting, the Ministers are regularly called to account. But there are other Member States where this seldom or never happens, where they are never called to

account either by the opposition or by their own governments. If we never carpet these Ministers, we are in fact encouraging their governments to send officials to Council meetings. If they are not asked in their national parliaments, the politicians in such governments will show little concern. That is why I should like to take the opportunity of this debate to appeal to Members with a dual mandate to take parallel action in their national parliaments in support of this Parliament's position and to call on Members without a dual mandate to establish a line of political communication with kindred spirits in their national parliaments, so that they may take on this task. I attach great importance to the directly elected Parliament, but the European Parliament cannot make it alone. If this action is not accompanied by action in the national Parliaments, we will not achieve what we must achieve. That is why I felt I should throw light on this aspect of decision-making in the Council of Budget Ministers.

Mr President, to conclude I should like to say a few words on compulsory expenditure. It cannot be repeated often enough because it is misunderstood again and again: we gave our support to the rapporteur, Mr Dankert, as regards the agricultural policy, when he agreed to amend his initial proposals as we had requested. We gave him our support then, because we felt that in this way we would also be supporting the European agricultural policy referred to in the Treaty and not opposing it. Because precisely when there are excesses about which nothing is done there is a danger that the original aim of the agricultural policy will be affected. In view of all the comments that have been made, that must be said once again. Mr Dalsass will be talking about this at somewhat greater length. That is why it is a good thing that the Liberal and Democratic Group has explicitly said this once again in amendment No 1 to Mr Dankert's report. We have not been able to discuss this within the group, by my own personal view is that a group such as mine will heartily support this amendment, because it expresses why Parliament wants to bring this expenditure under control, which the Council has never succeeded in doing. The directly elected Parliament has a responsibility in this respect. It is not hostile to the farmers. Quite the contrary. It is fully aware that they play a major part in Europe and that the agricultural policy must continue to play its beneficial role for many years to come. For this very reason we feel that we must bring this expenditure under control. That too is why I am disappointed at the first signs we have received this week.

We came to Strasbourg this week in the hope that the rejection of the budget could be avoided, as Mr Klepsch has already said. We did not want this, and we still do not want it. But then we must be given a sign which helps us to avoid rejection.

This is a very exceptional week, a week in which both the Council of Agriculture Ministers and the Council

## Notenboom

of Budget Ministers are meeting and therefore a week full of opportunities for these two Councils together to come to terms with Parliament. But the telex read out by Mr MacSharry yesterday is, I feel, not likely to restrain us from rejecting the budget. I regret this. Perhaps the Council of Budget Ministers will be making proposals tomorrow. It is not true, as some have said there, that we have sought conflict from the outset. No, we are prepared until the very last moment to refrain from rejection, but there must be a point to this and there must be significant concessions which also make it possible to take a small step towards bringing agricultural expenditure under control. If that is not to be, I do not think that my Group will be prepared to pull back from what Mr Klepsch has just explained it intends to do.

Mr President, those were a few remarks which may explain what happened on 23 November and show how different things must be in the future from what happened on 23 November.

*(Applause)*

**President.** — I call Mr Møller.

**Mr Møller.** — *(DK)* Mr President, with the deepest regret I must begin by saying that I am unable to speak with the same certainty on this matter as the previous speakers.

My only consolation is that doubt reflects a man's intelligence and I certainly have grave doubts. I really doubt whether this exercise that we are engaging in can further European cooperation and promote our objectives. There is no doubt in my mind that the Council has been provocative in the arrogance it has shown towards this popularly elected Parliament. An arrogance which should have been disregarded and which should never have been shown. But even when one is confronted with human stupidity and arrogance, one has to ask oneself: is it right to react in a certain way. Arrogance does not justify each and every reaction. Nor does provocation. Our task, as I understand it, is to fulfil our commitments in relation to the Community treaties, the Treaty of Rome.

The Treaty of Rome presupposes the existence of a delicate balance between the three institutions, Council, Commission and Parliament. The intention is not that these three institutions should force one another to their knees. The intention is to achieve a balance as happens for example, in the American constitution with its system of checks and balances.

Therefore, I do not wish to tie myself to one particular point of view before tomorrow's consultation meeting is over, and I am pinning my hopes on the possibility that the members of the Committee on Budgets, with all their intelligence, all their expert knowledge, will succeed in persuading the Council to take account of some of Parliament's views. For it is not by provoca-

tion or by confrontation or by conflict or by fighting that we shall achieve our objectives. This Parliament is still so young, so fragile that it is in danger of overreaching itself here. We have not been too lucky with our first six months. We do not seem very inspiring to the people of Europe. The respect which we must safeguard in this matter is first and foremost respect for ourselves, respect for Parliament as something worthwhile. We do not want to be everything, but we do want to be something. It is only by cooperation, by compromise, by negotiation, that we shall succeed in establishing the mutual respect and understanding between the Council and Parliament on this issue that can bear fruit in the future and establish a firm basis for future relations in Europe. Let us in the three institutions work together and not fight like this about who should have the upper hand and whose will should prevail.

*(Scattered applause)*

**President.** — I call Mr Baillot.

**Mr Baillot.** — *(F)* Mr President, I should like to say straightaway that the report of the Committee on Budgets presented by Mr Dankert in no way meets with our approval.

We do not agree to joining the little war which the Assembly and the Council seem to be waging. It is incredible that the Members of the European Parliament who belong to the parties in power in their respective countries should clash violently with the governments whose members are their political friends.

In fact, this 'mini-war' is being conducted to upgrade the European Assembly and ultimately to achieve for it additional powers, which the European governments have called and still call their own. Whatever the outcome of the conciliation meeting which will be taking place tomorrow between the Council and the Assembly, some people are busy saying and writing that the meeting of the nine Finance Ministers in Strasbourg is in itself a victory for Parliament.

What benefit will be derived by those who have to bear the brunt of the damaging effects of the crisis and of the austerity policy? None. On the contrary: one more small step will have been taken towards supranationality.

I can think of only one merit that the report of the Committee on Budgets has: that of clearly explaining the objectives of this Assembly.

When the budget was first debated at the November part-session, Mr Pranchère and I said that the question of milk surpluses was only a pretext for political action. It was simply the flag to which the most supranational forces in this Assembly rallied, determined to proceed with the greatest possible haste towards an integrated Europe.

**Baillot**

In acting in this way, they are demonstrating their desire to continue to ruin the farming community, particularly in France, to the advantage of the even more rapid development of redeployment, restructuring, in short a Europe of the multinationals.

The policy of regionalization and the so-called need for convergence, constantly proclaimed and ever more remote, which would emerge, serves as a pretext, a cover we might even say, for this industrial redeployment. Some people here regret that the great Mansholt Plan, under which the land was condemned to desertification and farmers to unemployment, was put into effect so hesitantly. The governments must really take account of the will of the farming community to live, particularly in France, where the farmers' struggle, their great demonstrations have forced the Government to play for time, to hedge, while fully agreeing with the positions brutally asserted both by Commissioner Gundelach and by the majority of this Assembly.

The farmers, who place great hope in the common agricultural market, 'green Europe' as it was known, have been deeply disappointed. They have witnessed a policy that has turned against their interests, and at the elections in France on 10 June many of them made it clear what they thought about this.

As we have already said, the majority of the Assembly wants to use popular support, the election by universal suffrage, as a guarantee for speeding up the restructuring both of agriculture and of industry. Furthermore, what is being proposed to us is no more and no less than the promises of a plan for the agricultural sector like the ones we have had for iron and steel and textiles. How remote are those promises made during the election campaign. Where is that Europe of progress, that Europe of hope? We were therefore quite right to warn our people. We said during the election campaign that the economic and political forces which dominate the European Community were using those elections as a democratic alibi for going further towards integration and supra-nationality and economic and social regression, a consequence of the profound crisis that is shaking so-called liberal society.

We have confirmation of this: the majority of this Assembly, which for years has been trying to increase its budgetary powers — with some success, moreover — want, on the occasion of their direct election, to make another leap forward. In the past, with the Council's agreement, they have frequently exceeded their budgetary powers by going beyond their margin for manoeuvre, by progressively reducing everything on which they do not have the last word.

One sector remained: the common agricultural policy, which is the responsibility of the Agriculture

Ministers. Well, today they want to lay down the law and act with such support that they echo, to some extent, the interest groups of the organized supranational forces, which demand that agriculture be dismantled and that this sector be subject to the stop-gap policy which is in the process of destroying the economic potential of my country in particular.

But there are forces which oppose a policy of this kind. The workers are fighting — this is quite evident — and often with success to prevent the closure of factories, and the farmers are fighting to be allowed to continue to work their land. In this difficult but decisive fight for their future and, therefore, for that of their country they have the active support of the French members of the Communist and Allies Group in the Assembly.

In conclusion, the House need not count on us to approve the text proposed by the Committee on Budgets, although this does not mean that we approve the 1980 budget, which we voted against at the first reading. In the last month nothing new has occurred to lead us to change our position.

*(Applause)*

**President.** — I call Mr Maher.

**Mr Maher.** — Mr President, I share the same view as many of the people who have stood in this Chamber before me today in expressing great concern about the attitude of the Council towards this Parliament. I think that, in the circumstances, it is less than responsible. In my view, taking all the circumstances into account, it has not indicated that it recognises this body for what it now is, not the old Parliament but one that has a mandate from the ordinary people of Europe.

However, having said that, Mr President, I must express some concern about many of the statements that I have heard around this Chamber, which give me the impression that we are spoiling for a fight. I am not necessarily against a fight. I am not necessarily against a confrontation with the Council, if I am sure that we have good grounds to go upon. I am not satisfied, in fact, that we have the best of grounds and I think for that reason we should be careful.

This is a new institution; in terms of working sessions it is not more than three months old. It has not as yet had the opportunity to construct or propose policies of its own, and so what we are doing is reacting in a negative way to the policies of the Commission and the Council. We are saying 'No, we do not agree with you'. Now I am not suggesting that that should not be done, but I believe we would be on far stronger ground if we ourselves had proposed solutions to the problems that are facing us.

**Maher**

Mr President, if I go back to my own constituency and indicate to my constituents that we have turned down the budget proposed by the Council, I shall naturally be asked: well, what do you have to propose? Have you a means of solving the problems of agriculture in the Community of regional policy, of social policy? Do you, in fact, have a way of doing it? I would have to admit, Mr President, and I believe every Member in this Chamber will have to admit, that we do not. It is not altogether our fault; we are only starting to work, but I should feel much more confident if we were having a confrontation with the Council on the basis of the policies we were putting forward, which we had studied and researched. If we were going on that basis, then I think we would have a very good chance of winning, in the sense that we should be bringing the people of Europe behind us. However, to go into an outright confrontation based on a disagreement with what the Council is putting forward is not, I think, the best of grounds.

Mr President, I have heard around this Chamber today many claims being made, for instance about the common agricultural policy, which, of course, is the only common policy we have in reality. For that reason it is transparent, and we can see basically what is going on. I have heard claims being made that there are many defects and deficiencies. I have heard it said in this Chamber today that there is a great deal of corruption, that products are being bought and sold.

Where is the evidence for this? Perhaps there is corruption. Perhaps there is, but if there is, let the Members bring forward the evidence. Let us see who is doing the damage and who is running away with the resources of the Community in this way, because I think it is time we were factual and not merely talking in midair or making charges that we cannot substantiate. Until we get down to those kind of grounds, we cannot expect that the other institutions, whether it is the Commission or the Council, or the people of Europe, are going to take us fully seriously.

Do we have a way of solving the problem in agriculture? To me some of the suggestions that are being made are utterly simplistic. They say, and I have heard it said within the last hour, that you solve the problem of over-production of milk by the price policy. Yes, of course you could. You could also solve the problem of unemployment by reducing wages and dividing the monies thereby made available amongst a great many more workers who are presently in the dole queue. You simply reduce incomes and bring in more workers, because the same amount of money would be available. What trade union would accept that philosophy or that policy? Would they reduce incomes by one-third and so enable other workers to be given jobs? I have not heard any trade union saying that.

Essentially, however, that is what farmers are being asked to do. 'Reduce incomes, that is the way to solve

the problem.' So therefore you reduce production. How do you explain to a farmer, for instance, how he is going to pay his bills, how he is going to keep up with inflation, if you take his income away? I do not know. In my country, for instance, incomes outside of agriculture are increasing this year by between 20 and 30 per cent. The analysts are now saying that farm incomes this year, leaving aside altogether the Community policies, are going to fall by 15%. What do the people in agriculture do? Of course we know there are problems about surpluses, but what do these people do? What would the reaction of a trade unionist be? Would he say, 'Of course I will take less, that is alright, of course I will put up with less'? I do not see them doing that. In fact, I see them every day in our country taking the ultimate action of going on strike and saying, 'We will not take less; no, we want 20% more'.

Now, I am only mentioning this as proof that these simplistic solutions will not do. We have got to find some better way, we have got to find a way of easing the problem. I have not heard it being recommended, for instance, that account has got to be taken, in relation to agriculture, of the differences between farmers. There are organizations in agriculture, huge industrial organizations, for instance, producing milk.

Are they going to have to put up with the same penalties as the farmer with 15 or 20 cows? Surely we have got to discriminate in some way. Mr Gundelach, as far as I understand, has not put that into his policy. In fact he is proposing to treat everybody the same. The little man with the 15 or 20 cows and the medium or family type farmer will get the very same treatment in terms of penalties as will these large industrial-type organizations. We have to accept that three-quarters of the milk is coming from one-quarter of the farmers. Surely we have got to look at that to see where the measures need to be taken. We have got to get down to it, we have got to work on it. As a credible parliament representing the people of Europe we have got to come up with policies and then back these policies to the hilt.

Mr President, we talk about the cost of the common agricultural policy. Again I am staying with this, because, of course, it is one of the main reasons we have problems under the budget. We talk of the cost of it. Only today I heard Mr Taylor — I think he has left the Chamber — again saying something that, in fact, is not true. He even added 10% to the cost of agriculture from the budget when he said it was taking 80% of the money. I wish again that it would be factual. The cost of the Lomé Agreement, the cost of food aid, the cost of the monetary compensatory amounts, which are no concern of agriculture, all stem from the Community's failure to have a common monetary policy. Is it fair then that these are classified under the heading of agricultural costs? People imme-

**Maher**

diately say agriculture is running away with all the money. In fact, it is not true, and I hope we will agree that it is taking only 40 % of the budget, not 80 %, as Mr Taylor said, because if you subtract these other figures, you come down exactly to what should rightly be spent on agriculture within the European Community.

We have got to look at the question of where the money is going, what proportion is going to the farmers and what is being taken off along the line. How much is the middleman getting? Is he the one that is really getting rich? I know very well that in the case of milk production the milk producers get by and large little more than half of the price that the consumer pays. Why? Are the margins too big? Each time we talk about the primary producers, but what about the people along the way? Is there not a need to look at that to see if the consumer can get the product at a lower price and the producer at the same time get a reasonable return?

I ask this question too, Mr President. Would it cost less if all of our countries were, in fact, supporting agriculture individually, as they have been I take as an example the UK. In 1971/72 the UK Government was paying out 325 million pounds in subsidies to its own farmers. If you apply modern inflation rates to that figure, and I suggest that if Britain were out of the European Community it would still have to keep on supporting agriculture for obvious reasons, that figure would be in excess of 800 million pounds today. Yet there is a major row going on about one thousand million. It takes no account of the possibilities offered to Britain, on the industrial front particularly, as a direct result of joining the European Community. I would suggest, Mr President, that we want to find out exactly what the position is in relation to all the other countries. When we put it all together, of course, it looks very big, but what would we be doing in our individual member countries if, in fact, we didn't have a common approach to this problem?

We have to be careful too, in my view, when we look at the cost. I noticed that one of the strong elements in Mr Dankert's proposal was — and I have every possible sympathy with him because I come from one of these regions myself — that more needs to be done to the structural situation etc. in these regions that have been losing people. However, we want to be careful because the measures being proposed, for instance lowering the milk price, only serve to reduce the incomes of most of the people who live in these regions. You give them back some money for a better road or a better telephone system or whatever, but you take away their income or reduce the daily income they are getting for the product they are selling. We ought to be careful. Are we, in fact, saving money,

because if we reduce their incomes, we are going to have to spend it otherwise. We need to do these calculations in a better way, to see exactly how we are wasting money.

Mr President, we had many hours of debate here not very long ago on world hunger. Most of the people that spoke had the greatest of sympathy with these people in parts of the world that can never be sure of reliable food supplies. Now, how serious are we going to be? We have a surplus. Can we approach it in a positive way and decide year by year to supply the food needed and pay for it? I would propose indeed that farmers should pay too. In other words we must make meaningful what we say and the sympathy we express for the hunger of the world.

My final point, Mr President, is that the group to which I belong has suggested that we should discuss the amendments to this budget and that after the amendments are discussed, we can then decide whether we will support it or reject it. I think that is the logical course to take.

**President.** — I call Mrs Ewing.

**Mrs Ewing.** — President, in Scots courts of law the defence always gets the last word, but at least we have the advantage of having heard the case of both sides before we come to the conclusions, and my regret is that, although we are having this debate, the vital link in the conclusion is missing, because we do not yet know what is going to be said tomorrow, and I think the feeling I have uttered has been reflected by very many speakers today. People have expressed hopes that tomorrow will bring some good statement. Mr Klepsch did, for one. The same hope has been expressed, I think, by all parties. It therefore falls to me, I think, even though I very much enjoyed Mr Maher's expert address, to give the subject a somewhat more legalistic turn. It seems to me, Mr President, that there is no doubt that we have got some kind of confrontation here, at least if we are to believe a lot of the speakers, and the press, and particularly the more sensational passages in the press. Mr Klepsch, for instance, has referred to a slap in the face and pocket money. Mr Normanton, my colleague from the UK, spoke of a charade and obviously meant this most sincerely. Some of the editorials in Fleet Street talk of an attempt by the Council to humiliate Parliament and teach us a lesson. I think Mr Spinelli was quoted in Fleet Street as saying — I do not know whether he was correctly quoted — that if we swallow this we will be finished. This prompts me to pose a number of questions which perhaps could be passed on to the Council with a view to their eventual statement. Are the Council teaching this Parliament a lesson? If so, will they tell us why and accept my censure for what it's worth, that that would be a very deplorable thing to do.

## Ewing

Would they please tell us why, on a number of matters, they have given no reasons for vital decisions; now that is cutting across those who agree or disagree with the final conclusions they reach, but why could they not give reasons? Do they feel they are above giving reasons? If so, that would not be an admirable stance. But now I come to what is perhaps the crux of the matter. Are they taking a legalistic stance? Is that where we are? I think Mr De Goedert asked that very same question in another form. If we go back to the Treaty of Rome — I think I am right in quoting it — the Commission proposes, Parliament advises and the Council decides. Now is this the simple stance they are taking, after which they feel no obligation to answer the strongly-felt criticisms that have been made today? In other words, are they saying that budgetary powers or procedures can never be used by this Parliament to create new policies?

If they seek any kind of confrontation, or if they seek to be above giving explanations, could I ask this question: What statement are they going to give the serious press? Are they going to say we won the battle against Parliament, if indeed there is a battle? And now I come to the effect of this on the man in the street. In the United Kingdom there was a degree of disenchantment; the vote to stay in was fairly narrow, particularly in Scotland. Admittedly I got the highest turnout, in my Highlands and Islands, of all the constituencies in the UK, perhaps because they are on the fringe of events and felt all the more reason to turn out. Be that as it may, this degree of disenchantment is not going to be reduced by a conflict which no-one, frankly, is going to understand, if indeed we ourselves understand it. Next, I come to the problem of the parliamentary groups. Many have spoken in favour of outright rejection, no matter what is said tomorrow. Some have said 'wait and see'. But let me ask this question of all you parliamentarians who wish to reject at this point, without waiting to see what is said tomorrow: How would we present this to the man in the street and retain his respect and interest? It seems to me, having listened to almost all the debate, hardly missing a speech, that every group has a different reason. If I misunderstood the groups, would they please accept my sincere apology. As I understand it, the CDs want more powers for Parliament, they see a conflict; if I understand them rightly, the Socialists feel strongly, and understandably so, about the CAP, and the UK sources feel strongly about the UK budget. If I understand them correctly, the European Democrats feel strongly about the UK contribution, and also about the powers of Parliament. One could go through all the groups in the same way. The Liberals seem to be taking a cautious attitude of wait and see, judging by the last two speakers I have heard, the Communists giving various reasons of a similar nature.

Now if we are rejecting for different reasons and the Council are giving only one reason, who wins the ulti-

mate battle? Certainly the man in the street does not win it. Any sense of vigour with which we started in this Parliament will very quickly turn into a feeling that we are disintegrating in front of their eyes and a still greater disenchantment will follow. I have two further points to make in conclusion.

**President.** — I am afraid, Mrs Ewing, you have now exceeded your time.

**Mrs Ewing.** — I have not yet used my five minutes...

**President.** — Your time has been used up, Mrs Ewing.

**President.** — I call Mr Almirante.

**Mr Almirante.** — (*I*) Mr President, as a member of this Parliament, I must express my dismay and, as an Italian member, my indignation at the behaviour of the Council of Ministers, which has obviously decided to humiliate the first directly elected European Parliament and the nations who elected it. I am not looking at this as a question of status; it is not for me or my colleagues on the Italian Right to raise that aspect. Nevertheless, we appeal to the elected President of this Parliament to safeguard our status and to convey our feelings at each and every opportunity and level, without accepting any compromise which might resolve a delicate political *impasse* but would have disastrous consequences in the long run.

The issue which has arisen between Parliament and the Council of Ministers is a substantial one. The Council may have acted as it did in order to assert its authority as soon as the legislature began work and to strangle at birth its spontaneous, legitimate and rightful movement in the direction which the history and future of Europe demand, which is, towards a true Parliament with genuine legislative powers. If that is what happened, the Council of Ministers as a whole showed a lack of political maturity, both because the Ministers have incurred the contempt and wrath of those who elected them and who will never elect them again and because of the fact that if, in a free and pluralist society, Parliament is of no account, it will not be long before the Government is of no account either. My own country provides a good example of this at the moment.

If, on the other hand, the Council of Ministers acted in this way because it was too lazy to think or too used to its old prerogatives, it is obviously so blind, deaf and paralysed that it has failed to grasp that there is a fresh wind blowing in Europe; that new political realities are knocking at its doors; that, quietly and democratically, the course of events is being radically changed on a basis of consent, not force; and that there is a reality of the right which is the opposite of

**Almirante**

the Marxist model and of the sloppy, liberal-capitalist model and offers a new model of a developing society capable of achieving its aims in both national and international terms. Finally, the Council of Ministers (to which, astonishingly, the Italian Government is still content to belong) persists in discriminating against the depressed areas, especially Southern Italy. Apart from considerations of common justice, we protest even more strongly against this since the Italians of the *Mezzogiorno* are not asking for alms or privileges but for development incentives; because, faced with a budget which inflation keeps increasing, we are careful not to take things away from others; and, finally, because the political consequences, direct and indirect, of this kind of conduct on the part of the Council of Ministers and any acquiescence in it by Parliament could be disastrous for the whole Community and entail the collapse of the edifice which, after so much effort, our nations have built for their salvation.

*(Applause from the Right)*

**President.** — I call Mr Motchane.

**Mr Motchane.** — *(F)* Mr President, it is my intention to explain to the Assembly the reasons preventing the French members of the Socialist Group from following the recommendations of the Committee on Budgets as presented by Mr Dankert.

We nevertheless feel that the draft budget before us today is not satisfactory, and we consider it quite possible that we shall ultimately be persuaded to reject it. But at all events we cannot do so as things now stand, and this for the reasons which have been advanced by Mr Dankert.

We cannot do so as things now stand because the procedure for negotiations on the budget between this Assembly and the Council has not been completed where it concerns non-compulsory expenditure, and consequently a decision to reject the budget taken today would be a political act for which — as we all know — there would be only one explanation, only one purpose. The European Assembly would have rejected the budget because the Council had not given way to the amendments presented by the rapporteur of the Committee on Budgets on the common agricultural policy. The European Assembly would have taken this decision before exhausting all the possibilities of inducing the Council to take wide-ranging account of its proposals relating to non-compulsory expenditure, that is to say expenditure on the industrial policy, the social policy and the regional policy.

Mr President, we did not agree to the substance of some of Mr Dankert's amendments, and above all we did not and do not agree to this Assembly tackling the enormous problem of the common agricultural policy through the budget. The budget is the reflection of a policy, the means of dealing with a situation

and of satisfying requirements. Where these requirements do not exist, there is no point at all in trying to change the thermometer to cure the disease. I say disease because we feel that radical changes are needed in the common agricultural policy, but not, for the most part, those proposed by the majority of the Assembly, in our view. In any case, we cannot today agree to a decision which would focus on a judgment on the budget as a whole, on the only outcome of the Council's reaction to the amendments relating to compulsory expenditure. That, in our opinion, would mean an out-and-out change of procedure while we still have to discuss and give our views on the draft budget a second time and affirm the importance we in fact attach to the proposals that we have adopted on the industrial, regional and social policies. And having said that the budget forms a whole, it would not be logical, in fact it would be incomprehensible, to agree to take a decision of this nature before being certain that there is no way of getting the Council to take account of the Assembly's proposals on what a large majority of this House maintains is their foremost concern.

I would add, Mr President, that a decision of this kind, taken in these circumstances, for these reasons — and the day after tomorrow we may have to express ourselves in different terms because those terms could be more precise — I would add that an attitude of this kind would be a political mistake. What are, I will not say, the arguments, but the psychological powers being used to persuade a qualified majority of this Assembly to reject the budget? It is a question, we are told, of asserting the existence, the prerogatives and the importance of this Assembly, and I would add, Mr President, that such an attitude would be a political mistake. What are in fact, I will not say the arguments, but the psychological powers being used to persuade a qualified majority of this Assembly to reject the budget? It is a question, we are told, of asserting the existence of the prerogatives and the importance of this Assembly, the first to be elected by direct suffrage.

Mr President, ladies and gentlemen, I feel it would be a serious mistake, and what is more, a dangerous mistake. This Assembly will exist politically by applying — which it has not always done in the past — the powers and prerogatives it is given by the Treaties. By claiming to transpose situations for which sovereign parliaments, national parliaments are responsible to an Assembly which is not a legislative body, which shares budgetary authority with the Council, a reasonable solution will not be achieved. In this respect, I must say that although the French Socialists are here — after an election campaign during which they said that the Treaties and therefore the European Assembly must become a reality — they cannot agree to the extension by whatever means, of the powers of our Assembly, which are defined by the Treaties.

**Motchane**

You will understand, Mr President, you who we know will accept only the absolute truth, that in the circumstances we can but dissociate ourselves from the arguments advanced by Mr Dankert this morning. We can but urge our colleagues to give the matter a great deal of thought so as to avoid a situation in which this Assembly, in creating the conditions for a political solution, provokes an institutional crisis by rejecting the budget. It can do this legitimately, but it cannot do it reasonably until it has placed itself in the best possible position and has exhausted the whole range of rights that the existing procedure gives it. It cannot legitimately do so after a debate which would inevitably be evasive if at its conclusion we were prevented from getting the Council with its back to the wall with regard to non-compulsory expenditure. And in this respect we are told that the Council has already replied by protesting that the obstacle is the limit to the rate of increase in compulsory expenditure. In fact, the Council has not clearly stated any limit of this kind and we have tomorrow to conduct a political debate on the whole of the budget. That is why I call on the House to follow what we consider to be the course of wisdom and what is in the interests of this Assembly.

**President.** — I call Mr Lange.

**Mr Lange, chairman of the Committee on Budgets.** — (D) Mr President, ladies and gentlemen, it would perhaps be tempting to have it out with the fellow members of my Group, but that is not my intention, nor is it my task. We shall be discussing certain ideas on another occasion. All I intend to do here is to make it clear what we are talking about. The Council must get away from the idea that Parliament wants to fight a battle for power with it. The Council must get away from the idea that Parliament wants to lead the Community into a crisis. The Council must get away from the idea that Parliament is not prepared to compromise. But this presupposes that the Council is also prepared to compromise. And so far there has been no sign of this. The Council did, admittedly, give us yesterday through its President-in-Office a statement drawn up by the Council of Agriculture Ministers, which in fact does not reflect a position any different from that of 23 November 1979. It is merely worded in somewhat more friendly terms. But that is all.

For more than ten days we have taken every possible opportunity — including party congresses — to call on the governments to continue their efforts, despite the fact that the second reading was formally completed for the Council on 23 November, to reach a compromise with Parliament so that there might be a budget for 1980. But this means — and I am now addressing the representatives of the Council — that a few things will have to be done with the agricultural

policy, in other words, with surplus production, and in particular surplus milk production. As a Parliament we have tackled only a very small sector of the agricultural policy with a view to getting out of the difficulties which the excessively high cost of this surplus production has caused us.

We do not want to destroy the common agricultural policy. We want to place it on a sound footing, one which accords in every detail with what Article 39 of the Treaty demands, that is, firstly, a price policy that guarantees farmers' incomes, but in such a way that those really in need also get something out of it and those who do not need it obtain no additional advantages, secondly, maintenance of the balance of the markets and thirdly adequate supplies to consumers. That is the point, and that is what we are trying to achieve. The Council must therefore realize that this is a very decisive point and that we have taken it up because of our concern for the future development of the Community. Because if things continue as they are now and the Council takes another decision next year like the one it took this year, we shall reach the limits of our financial possibilities in the 1981 financial year. In borderline cases we shall then no longer have an opportunity of providing other political sectors with appropriate funds to enable the Community to draw back from its development into an agricultural community pure and simple. As I have said on an earlier occasion, the Community's agricultural policy could then cease to be its linch-pin and become an explosive force. We should like to see that avoided. And our French colleagues must also understand that we should like to see this avoided.

When the Council says — it has said so and it will continue to say so — that if there are to be any changes in the agricultural policy, it must first change the organization of the market, in other words the basic regulations, before the logical financial conclusions can be drawn, we can of course adjust ourselves to this. But I should now like to say specifically to the Council that the financial year is the calendar year. The agricultural year, on the other hand, is not the same as the calendar year and therefore not the same as the financial year. The agricultural year begins — with a few exceptions — on 1 April of each year and ends on 31 March of the next year. It is therefore quite conceivable that the Council is crossing the bridge Parliament has built for it, that the Council is honouring the two amendments Nos 311 and 301 together, because this will have absolutely no effect on the current agricultural year; it will affect only the 1980/81 agricultural year, which begins on 1 April 1980. In the time which would then still be available between the adoption of the budget this week until 31 March 1980 the Council could take the required legislative decisions in the form of amendments to the basic regulation on the organization of the market. The Council must understand this. It cannot argue

## Lange

that we have tried to reverse the whole procedure. That is simply not true. The Council holds all the cards, and it retains its legislative power. It is foolish to claim that Parliament has taken the chair, as was said before the conciliation meeting preceding the decisions of 23 November. This is simply not true. I call on the Council in all seriousness to look very thoroughly into this once again by tomorrow.

Then there are of course other points of interest to Parliament. That is quite clear. I do not need to revert to them again. All I want is the elimination of the strange idea that we want to assume legislative power from the Council and that account should be taken of a few other things, which Parliament has been looking into for years, as other Members and particularly the rapporteur have already said here, and I should also like to see the Council no longer evading decisive changes in the budget, such as the budgetization of loans and the European Development Fund and so on. So the Council is not losing anything.

The Council should come down off its legalistic high horse. The Council should do away with the strange idea that it is losing face because of us — Parliament — or that we are arranging for it to lose face. Nothing of the kind. On the other hand, the Council cannot go unpunished for attempting to contest the powers that Parliament has under the Treaties. A very great deal has been said about this during the debate. I therefore expect the Council at tomorrow's discussion or conciliation meeting to make us an appropriate offer, which may then enable this House — after all the possibilities have been exhausted, including the conciliation meeting tomorrow — to take a different decision on Thursday from that which has been postulated here. We are not seeking conflict for the sake of conflict. All I can say here on my own behalf and on behalf of the Committee on Budgets — and we have considered this very carefully — is that the Council bears responsibility for this situation and not Parliament. As last year, the Council must attempt again this year to get us both out of this situation. If it is successful, things will be different on Thursday, because we, the Committee on Budgets, will be meeting once again tomorrow after the conciliation meeting or after the talks, although I do not yet know precisely whether this can take place tomorrow afternoon at 5 p.m. or earlier or later — and, depending on the situation then, drawing up our proposals, which we shall then, on Thursday morning, submit to the political groups and then to Parliament. But if the Council does not make a move, if nothing happens along these lines, there is no doubt that we will be abiding by the position adopted on 7 November 1979 — as stated in paragraph 38 of the resolution which was adopted on that date, and to which we have, of course, referred and to which the motion for a resolution of the Committee on Budgets which Mr Dankert

has tabled is virtually an annexe — there can be no doubt that we shall not have a budget for 1980. But I am not yet sure that this is necessary because I still hope that the Council will make a move.

That is all I want, and I would be grateful if that was made abundantly clear by the Council representatives here present to the members of the Council who meet tomorrow, and also COREPER beforehand, so that a serious attempt is made to avoid the kind of conflict of which there are now signs because of the Council's decision of 23 November 1979. This would be in the interests of the Community and in the interests of further development, and it would strengthen the Community. I repeat: those who maintain Parliament is unduly claiming things for itself are wrong. Parliament is doing what it *must* do pursuant to the Treaties — not simply what it wants to do, but what it *must* do. After all, the provisions of the Treaty impose obligations on the various institutions. The Council should also recall the Treaty obligations and not try to do something which does not comply with those obligations or runs counter to them in other respects, namely Parliament's powers. So everything may be open for the talks due to take place tomorrow. But this very much depends on the Council itself. And it is for the Council to submit appropriate proposals to enable a budget to be adopted for 1980 this week.

Thank you, Mr President, ladies and gentlemen, for your patience.

*(Loud applause)*

**Mr Langes.** — *(D)* Mr President, ladies and gentlemen, twenty speakers have now spoken on the 1980 budget, and all these speakers have said that they reject this budget. Their reasons have differed. The motives were not always identical, but the tendency of all these speeches was that the European Parliament must reject the budget. As the 21st speaker I feel I should begin by saying this, especially after hearing the chairman of the Committee on Budgets, Mr Lange, place very great emphasis on tomorrow's meeting with the Council. Many other speakers have emphasized this meeting. Mr Tugendhat said that it should result in a compromise.

Well now, compromises are undoubtedly needed in politics, but we know that there are many different kinds of compromise, including the lazy compromise. It must be a compromise which is right in itself. What kind of compromise can there be? It seems to me as if I had reached a fork in the road. There is the European Parliament and the Council. I cannot say: I am not taking either fork, I am going straight on into the forest. That is no compromise. We can choose only one of the two paths, as this illustrates what kind of compromise is possible tomorrow. The path taken must be that designated by the European Parliament. Why? Not because we are arrogant or because we — as Mr Møller has said — have no doubts. No, because

## Langes

this path, which we have designated through our budget debates, has also been described as the right path by the Council. It is interesting to note that in the accompanying letter that we of the Parliament have received it says that the measures we propose for the compulsory section point in the right direction. If, then, we speak of compromise, this is all it can be, since we are continuing along the path that Parliament has designated. When it is asked — by the press among others — what demands of substance Parliament is making, the answer is to be found not least in this debate. But we can only talk about whether we are moving forwards rather more quickly or less quickly along this path. Statements on quantity, or if you will, speed, are therefore possible. But statements on the basic question will not be possible. What do I mean by this?

In the non-compulsory section — and this has become clear here in many respects — the Council has rejected measures in the energy sector, and every citizen in Europe would describe this as simply foolish. In the regional sector, measures have been rejected, and every citizen living in one of the regions concerned would describe this as wrong. In the social sector we have exactly the same picture. And if I just take a small sector that is so easily forgotten here, namely culture, the paltry 3 m EUA proposed has also been completely rejected. Those measures intended to signify a gradual forward movement of the European Community in the cultural sector have been rejected.

When I think of all the speeches by the members of the Council in their national parliaments and during the European election campaign, in which they constantly referred to the fact that Europe is not only an economic but also a cultural entity, in which people of like mind must stand together, and when I then see this penny-pinching, resulting in the deletion of minor items in the cultural budget, all I can say is what the Council has done, has nothing to do with politics any more: it is simply pettiness. We have set the course in the non-compulsory sector and we will demand that it be followed in the conciliation meetings — or whatever the talks tomorrow are legally called. On the compulsory side we have stated very clearly that what Parliament has done by a large majority with regard to the agricultural policy has meanwhile been acknowledged by the relevant members of the Commission as correct, as reasonable and as good. As we have been told by Mr Gundelach, the appropriate regulations are ready. That we should continue in this qualitative direction will clearly be a demand of substance at tomorrow's discussions.

Let there be no misunderstanding, ladies and gentlemen of the Council, we are not prepared to hear from you tomorrow, for example, what you will re-examine all this very carefully, that you feel what you

are doing is right or that — as Mr Dankert has said today — you want to present us with yet more flowers. What we want are the changes to the substance of the non-compulsory and compulsory sectors of the budget of the budgetary authority, the Council and Parliament. That is one condition. We cannot be fobbed off with some assurance or other. This means that, if the Council so wishes, a start must be made tomorrow on the enormous task of incorporating these changes of substance in the budget, so that it can be adopted on Thursday.

Personally I do not believe that the Council is capable of this. I will state quite clearly that I have the impression the Council has been surprised by Parliament's unanimous desire to reject the budget, that the Council is simply trying to put on a show of smoothing things over a little, that underneath it all it is absolutely incapable of this because it has not yet adjusted itself mentally to this new Parliament.

This is the crisis to which reference has constantly been made here. But a crisis is not taking place. Talk is creating a crisis, in that everyone is constantly saying there will be a crisis if Parliament rejects the budget. Why should that be a crisis? That is performing a political duty we have assumed as the directly elected representatives of the European people. The crises you are referring to, ladies and gentlemen of the Council, are your crises. We believe we have this duty, because we must establish a satisfactory policy for the people of Europe, and so I say once again: I hope that all I have said has at least been partly understood by you and that you will think about it. I would also ask the House to think about our amendment, the amendment tabled by the European People's Party, which seeks to have this Parliament regarded as a constituent assembly, because much of what we have experienced in these difficult budgetary debates has only been possible and has only been so difficult because we have a constitution that in many respects no longer corresponds with what a parliamentary democracy needs for Europe. That is why we in this Parliament shall be discussing, outside these budget debates, those aspects over which we feel this Parliament should have the necessary rights that emerge from democracy.

In other words, this budget debate is in itself important. It is not a crisis. It is a necessity. But it is only one step in the direction the European Parliament and its Members want.

## 11. Agenda

**President.** — As it will not be possible to consider it before 7 p.m., when the sitting is due to close, the report by Mrs Hoff on the fixing of the ECSC levies for 1980 (Doc. 1-582/79) will be placed at the beginning of tomorrow's agenda.

### 12. *Urgent procedure*

**President.** — I have received from Mr Capanna, Mr Van Minnen, Mr Schmid, Mr Balfe, Mrs Lizin, Mr Coppeters, Mrs Castellina, Mr Colla, Mrs Buchan, Mr Rogers, Mrs Macciocchi, Mr Caborn, Mr Pannella, Mrs Bonino, Mrs Wieczorek-Zeul, Mr Muntingh, Mr De Goede, Mrs Dekker, Mr Motchane, Mr Vernimmen, Mr Seal, Mr Lomas, Ms Clwyd, Mr Boyes and Mrs Van den Heuvel a motion for a resolution with request for urgent debate, pursuant to Rule 14 of the Rules of Procedure, on the threat posed by nuclear weapons to the general public. The reason supporting the request for urgent debate is contained in the document itself.

I have received from Mr Newton Dunn, Mr Collins, Mr Muntingh, Mr Provan, Miss Hooper, Mr Antonozzi, Mr Spicer, Mr Key, Mr Ceravolo, Mr Remilly, Mr Sherlock, Mr Johnson, Mr Hopper, Mrs Weber, Mrs Maij-Weggen, Mrs Squarcialupi, Ms Clwyd, Mrs Buchan, Mr Hutton, Lord Bethell and Mr Cottrell a request for the report by Mr Newton Dunn on chlorofluorocarbons in the environment to be placed on the agenda of this part-session by urgent procedure. Urgent procedure is justified by the fact that the next meeting of the Environment Ministers will be held on 17 December 1979.

I shall consult Parliament at tomorrow's sitting on these requests for urgent procedure.

### 13. *General budget of the European Communities for 1980 (continuation)*

**President.** — We shall now continue with the debate.

I call Mr Tuckman.

**President.** — I call Mr Tuckman.

**Mr Tuckman.** — Mr President, I am sorry you have all these requests for urgency while we are in the middle of what is fundamental. Where I used to work we used to say: 'The urgent displaces the important'. I think that happens quite a lot around here.

Mr President, the ancient Greeks had the saying, 'Balance is all'. I think an illustration of how badly we are placed is that this is one of the most unbalanced of documents. It is unbalanced in that it has moved steadily towards being a one-subject budget only, as opposed to dealing with a large range of subjects of importance to the citizens of Europe. You can put it this way: the EEC has a budget of roughly 10 thousand million pounds; that relates to an income for the United Kingdom alone of 141 million pounds a year, so it is relatively modest, but still important enough for us to be concerned with how it is spent, what is done with it and what it is all about. Above all it is an extremely visible sum of money in that our populations are constantly reminded of the fact it is so ill-spent.

Before anybody gets the notion that I am speaking against the common agricultural policy, let me say that I am not. I have accepted that there should be such a policy within the terms laid down in the Treaty, a policy to secure a steady supply of food at reasonable prices, whatever reasonable might mean. But there is no definition which will account, under the heading of reasonable, for the kind of surpluses with which we are regularly faced, and which have been the subject of debates over the months we have been here, and particularly in these last few days when we have discussed the supplementary budget and the current one.

I am also aware of course that this whole policy is designed to ensure that farmers will have a reasonable standard of living on the land, and that there will be farmers left there. But we have an enormous range, stretching from 17 % of the land in France, 12 % in Germany, and only 3 % in Britain. I do not think anybody can say which of these figures is the right or the acceptable one. There is no objective way of saying what is right or wrong; it is a political choice. What is not acceptable is for these matters to be so handled as to become ludicrous and offensive: ludicrous because the surplus is there; offensive because we are asking our populations to pay very large sums of tax money in order to furnish the wherewithal to produce these surpluses.

This is also offensive because we then sell the surpluses off at extremely cheap prices to those who have stated that they wish to destroy us. It is also offensive because, while we have created a high plateau of farming income inside the EEC, we are supporting this and making it possible by being the dumpers in the outside world, and becoming very unpopular with it. I do not think these are merely peripheral statements, they are not merely arguments put up to furnish a stronger case. They are objective realities which are besmirching the reputation which this Community is supposed to enjoy. We have a communication from the Council of Agriculture Ministers. The very wording is, of course, very strange in itself — either it is the Council of Ministers or it is the Agriculture Ministers. Let us take the two things separately. This is a communication which reads like milk and honey — if I were as new as I was when I first appeared here, I would have said, 'marvellous', but those of my colleagues who have been here a little longer tell me just to be a bit cautious as to what this honey really represents. Apparently the jar is fairly empty, and I have got to lick very hard to get any. We are told that the Council of Agriculture Ministers accepts the case this Parliament makes about the over-emphasis on agriculture. Personally I would say that unless we get facts and figures which show in what manner they see this acceptance, and what they are going to do about it, we shall have to stick by rejection, which is the current intent of the majority of this Parliament.

**Tuckman**

When we started off some months ago, we were told that 66 % of this budget of 10 thousand million pounds goes on agriculture. Together with the supplementary budget, the figure apparently has now reached 84 % ; learned colleagues give me slightly differing figures, but there is none under 80 %. This means that there is hardly anything left with which to do other things ; that is what shows in figures why the whole situation is so thoroughly unacceptable.

The other element about this Council of Agriculture Ministers is that it is a piece of organizational lunacy. I understand — and I would like to be proved wrong — that the Agriculture Ministers, on their own and without any financial representation from any country, determine what the price of milk, of cheese, of butter shall be ; and this is then imposed on us and has to be paid for by us, regardless of the financial or political consequences of that decision — and this in respect of a part of the Community which is small, well below 10 % of the whole. I therefore cannot see that we do not have an extremely strong case on those grounds alone, quite apart from how the matter has been handled *vis-à-vis* this Parliament. I feel, quite frankly, as a Member of this Parliament representing three quarters of a million electors, as though I have been treated like a naughty boy who has been told : 'Go away or you will get a slap across the ear'. No reasons have been given ; it has just been a matter of : These are our powers ; you are not allowed to exceed those we have allotted to you.

I would like the Council of Ministers, all of them to keep in mind that we do have the power to reject the budget. We do not have to state why we reject it ; and we are going to reject it unless things change, because on the compulsory expenditure in agriculture, which is the guts of the whole thing and the only thing it is about politically, it is unacceptable.

Because I am a capitalist, I wish to make two points which a colleague has asked me to make who failed to get speaking time. The points are these : we are asking the Commission : Would they please look once more at the budgetary control which they exercise ? We really cannot believe that the enormous inefficiencies which are becoming apparent are inevitable or God-given. We think that if they were to look at these matters and report back to the House they might in fact be proud of themselves for having done better.

One practical hint : would it be possible to start looking at these matters, not when produce taken into intervention has to be sold, but at the time when goods are taken into intervention. That would give you several months, if not a year, of leeway, depending on the situation in the markets. Arising from that, of course, this Parliament and its various committees would like to have earlier notification if trouble is brewing and we should expect changes from what was forecast.

That, Mr President, brings me back to the point I was originally trying to make. We recommend a rejection

of this budget as it stands. Of course we go along with the chairman of the Committee on Budgets when he says that we do not want a crisis, or whatever it might be called. I am not certain whether compromise is possible, or whether as another gentleman has said, it is a matter of a collision course. I suspect that, between the two, we are dealing with differences of temperament rather than of fact. I repeat that we stand ready to compromise, we are not against the CAP, but we cannot stomach this degree of over-spending. We are against enormous surpluses ; we are against a one-subject budget, and we are certainly against becoming a one-subject EEC.

What then has to be decided : what is this Council of Ministers going to do about this elected Parliament ? I myself have frankly wondered in these last six months what these gentlemen thought they were up to when they decided to have an elected Parliament. Judging by their behaviour, I should think they may well regret having it, but hard luck — we are here, and have no intention of going away.

I do hope the Council will listen to us, because in many respects we are the voice of the people ; they forged this instrument themselves, they did not have to. We suggest that they should give way on those elements of the budget which we have found so very objectionable. We suggest that if they respect us, we shall be extremely happy to respect them, and that in this way we could ultimately work together.

*(Applause)*

**President.** — I call Mrs Boserup.

**Mrs Boserup.** — *(DK)* The trial of strength with the Council which Parliament is embarking on with this proposal to throw out the 1980 budget fully confirms the fears we expressed before the direct elections in June. We felt sure that the elections would produce a parliament of fanatic Europeans whose first concern would be to increase their own importance — they no doubt need to. My party is opposed to Parliament extending its sphere of influence and we cannot, therefore, support the proposed manoeuvre. We cannot support the Dankert report because we want as small a budget as possible. Danish taxpayers have enough troubles with the European Community as it is and they should not be punished still further by having to pay large contributions to the Community, as this Parliament is now demanding. Therefore, we do not hold the view that the level of non-compulsory expenditure should be as high as possible, because we want, on the contrary, to reduce it. I do not share the lust for power which Parliament is displaying when it adopts this strategy — its main strategy — of influencing the compulsory expenditure, as is the case this year and as Mr Dankert is proposing.

So I am pleased that the Council has, for the moment, repulsed Parliament's attack. Every country has the

**Boserup**

right of veto in the Council and until we can replace the Community by cooperation for the benefit of the workers we regard it as an advantage to be able to control the Ministers by our own parliaments and national elections.

The facts underlying this conflict, that is the expenditure on agriculture, are certainly pretty bad. This vast overproduction, which is threatening to burst the budget, makes it abundantly clear that the common agricultural policy is a failure. I shall say nothing here of the immorality of surplus stocks at a time when whole peoples are starving. The production of surpluses shows the unacceptable face of the liberalist system, especially when farmers' prices are fully guaranteed. Co-responsibility levies will not make much difference. In fact they can in certain cases have the opposite effect. The young farmer who has invested millions in cows and dairy installations may need to increase his production of milk in order to pay the charges imposed on him. The problems of agriculture can only be solved if the liberalist agricultural policy is replaced by proper planning. But this, needless to say, is impossible in the Community context where the common agricultural policy is the cornerstone.

Looked at superficially, Parliament's wish to increase the expenditure on the regional policy may appear reasonable; but the actual results of the regional policy so far give a different picture. Regional imbalances in the Community are increasing the whole time, and it is only when we can control the free movement of capital that it will be possible to realize our hopes. But the free movement of capital is a keystone of European integration, and we do not delude ourselves into thinking that capital can be controlled or that there will be any attempt to control it in the European Community.

My party is opposed to the European Community and an important point in our electoral programme was that we would on no account vote for the common budget. It does not inspire much confidence if you vote for the budget of an organization which you are criticizing constantly in all its aspects. Developments since Denmark's entry have fully proved that our party is right to advise the nation to continue to prepare for withdrawal from the Community.

IN THE CHAIR : MR ROGERS

*Vice-President*

**President.** — I call Mr Buttafuoco.

**Mr Buttafuoco** — (I) Mr President, everyone who has spoken condemned the Council's decision to reject the changes in the Community budget which were suggested by Parliament. To my mind, this act of summitry ignored the authority and force of the votes of about 200 million people who are citizens of the Community.

During the first reading of the budget, Parliament showed a tremendous sense of responsibility in trying to assess the requirements of the Community and of its citizens. It is intolerable that any comment on the agricultural policy should be interpreted as lack of concern or even as hostility towards the agricultural sector. We are very conscious of its importance and this is reflected in our suggestions. We believe that the absence of a policy balancing the requirements of the various sectors will, sooner rather than later, mean that the process of unifying Europe has been a miserable failure. The Council's attitude is more than a challenge; it gives credence to the suspicion, voiced by many speakers and by my colleague Petronio this morning, that it exists to serve individual interests. It rejected all the amendments we proposed in the case of compulsory expenditure, which was reduced by 930 m EUA to 225 m EUA, and all that remained available for use was 339 m EUA out of a budget of 15 000 m EUA. This is a humiliation for Parliament and covers it with ridicule and contempt.

Our Committee's recommendation to reject the estimates is pregnant with possibilities in the near and more distant future, that is, if we want to see this first European Parliament perform a worthwhile task. We must not forget that the Council has ignored requests that we were in duty bound to make on behalf of the citizens of the Community, that we manage the revenue from their taxes and that the Council has failed to set up machinery for the control of agricultural expenditure and to allow certain items to be budgetized. The axe has fallen mercilessly in all sectors, including the regional, social, development and transport sectors, especially the regional sector, which, as Mr Almirante pointed out, creates the justifiable suspicion that the Council of Ministers is unconcerned about its depressed areas. As for the main body of amendments, one can only conclude that the Council took a decision to reject them all. So, the Council *locutus est*, its judgement is irrevocable and the explanation is given that the Council has found nothing new to justify any change in the decisions embodied in the draft budget. And what did Parliament do in November, in that controversial part-session when the draft budget for 1980 received its first reading? It messed about and played the fool; yet people argue, like Mr Bonde, that it was all out of respect for the Treaties and their provisions. However, others, including Mr Lange, have explained that the Treaties stay as they are unless they have to be interpreted and that, if we must embalm them at any price, history can also receive firm treatment and the course of events radically changed.

With this enormous responsibility on our shoulders, I pray to God that we shall reach agreement and settle this dispute; if this proves impossible, then the only answer we can give is to throw the budget out.

**President.** — I call Mr Seal.

**Mr Seal.** — It is important for me to point out first, Mr President, that the decision to reject this budget has been reached by many different groups in this Assembly for many different reasons. Many speakers today regard rejection as only the necessary first step in extending the powers of this Assembly; but to us the question is not one of extending the powers of this Assembly because British Labour Members fought in the direct elections on a manifesto which was implacably opposed to any extension of the powers of this Assembly in a federalist direction. Neither do we think that it is merely a question of the intransigence of the Council, because there is nothing unusual in governments wanting their own way in face of all opposition. The real question to us is how this budget is going to be spent, because we do not want this Community to continue merely as a club for inefficient farmers. We do not want this Community to spend its budget on merely encouraging immoral food surpluses. Neither do we want this plea for rejection to be merely a token as it has in past years been taken, to be abandoned as soon as the Council drop a few crumbs from their table. This rejection proposal, if adopted, will not be a precedent; but what is unique in this budget is the attempt that we have made to switch expenditure from the common agricultural policy to other things. And even more important is that we have made the first attempt to try and put a brake on some of the vast surpluses that are being produced in the EEC. Now we supported the co-responsibility levy, imperfect as it is, in the face of strong disapproval in Britain, and we supported it because it was the first attempt to curb these vast milk surpluses. We want the Community to use this budget as part of a much wider movement for social justice and for progress. In our opinion, this budget represents merely a modest move in Community spending, a move away from agriculture to the Regional and Social Funds. But the Council, in spite of its being modest, rejected it without a second thought.

One of the things which has not been mentioned by speakers today is that any budget must include an income side as well as an expenditure side, and in fact in most budgets raising the income is usually the most important part. But no attempt has been made by the Council to correct the net imbalance in the UK's contribution and, thought I do not want at this stage to go into all the arguments because they have already been well publicized and will be discussed later, I would say that until a start has been made, and by that I mean a realistic start, on correcting the imbalance of the UK contribution then the budget should be rejected.

We feel that rejection of the budget will force the Council to come back eventually with a budget which must go further towards increasing non-agricultural spending. Here let me give a word of warning: Any

increase in non-agricultural spending must be at the expense of spending on the common agricultural policy. There is no way in which I can support a Community budget where spending on development and cooperation has been decimated. There is no way in which I can support a Community budget in which the amounts paid to help textile and steel workers in depressed areas have been cut while maintaining the spending on the common agricultural policy.

It has been suggested by the media that the British members of the Socialist Group are being inconsistent in rejecting this budget, as are the Conservative Members. Whilst I accept that the British Conservatives are obviously in a dilemma because of the actions of their own government, there is no doubt at all, as far as I and other Members are concerned, about the consistency of the British members of the Socialist Group. We stated in our election manifesto:

The Community budget should promote a fairer distribution of resources within the EEC and the convergence of the economic performances of Member States.

And until we achieve this object we shall vote consistently for a rejection of this budget.

We are not calling for this rejection merely as a token gesture, as I suspect many of the other groups in this Assembly are doing; we want to use the existing powers of this Assembly to redirect Community spending in a way of which we approve. And I may add that over the years we are looking for a reduction in real terms in the Community budget, not an increase.

Those of us in this Assembly who are still deeply suspicious of the Community as it is presently constituted are sometimes accused of being short-sighted and narrow-minded. The decisions of the Council in opposition to the background of wide public agreement on the Commission and to this Assembly, and against the need for a reduction and a reform of the common agricultural policy, reinforces our suspicions and suggests to us, Mr President, that the short-sightedness and narrow-mindedness lie elsewhere than with us.

**President.** — I call Mr Dalsass.

**Mr Dalsass.** — (*D*) Mr President, although I am new to this Parliament, I have for many years been concerned with agriculture, for which I was responsible for six years in my own country. The House will therefore understand that, while not wishing to ignore other sectors, I should want to deal predominantly with the problems facing agriculture. My view will therefore be confined to this sector.

I was somewhat surprised to see how severely agriculture has been criticized. The principle criticism is that so high a percentage of budgetary resources is spent on agriculture, with the result that other sectors do not get their fair share. So general a criticism is, in my view, not justified. It is natural that agriculture should

**Dalsass**

claim proportionately more than any other sector because it is the only real Community policy. If we could imagine the Community without this agricultural policy, we would be virtually back at the beginnings of the Community, which, of course, none of us wants. The agricultural policy has been very successful over the years. It also forms the foundations of the economic integration of Europe. We endorse the basic line and the objectives of this policy.

But we have also found that the agricultural policy as it is now being pursued is in need of a slight correction to prevent certain excesses. I repeat, a correction, not a fundamental change. I am referring in this instance to the surpluses in the milk sector, for which a suitable remedy must be found if the whole of the agricultural policy is not to be discredited or even jeopardized. Parliament has put forward an appropriate proposal for this correction. It made this proposal because of its sense of responsibility for the continued development of the Community. We are all aware that the increasing production of milk must be checked without agriculture itself being endangered. We have already described our ideas on this subject.

An attempt must be made to give special consideration, special protection not only to the mountainous areas but also to family holdings, particularly those who have no other alternative. It is very regrettable that the Council has rejected Parliament's proposal, even though it too feels that something must be done in this respect. A proposal from Parliament cannot be rejected on the grounds that it is premature, because the appropriate legislation does not yet exist. It would have been right to accept Parliament's proposal and then to adopt the appropriate legislation immediately to enable this correction to be made. The Council has missed a golden opportunity here. We feel that we must waste no more time. We will therefore vote against the budget, because we feel that this is the way — and the only way — in which we can quickly achieve the objective that Parliament has set itself.

*(Applause)*

**President.** — I call Mr Curry.

**Mr Curry.** — Mr President, I look around my own country, Great Britain, and what do I see? I see dramatic industrial decline, I see 60 000 jobs condemned in steel, I see a haemorrhage of jobs in shipbuilding. I see a constant threat to workers in textiles and even in certain parts of agriculture, which is supposed to be our great strong point. I see a remorseless erosion of our position. I look around this Common Market and what do I see? I see the same pitiful ebb of life-blood in the industries that have made Europe great. I look around the world and what do I see? I see the explosive crisis in the world's most vital oil-producing regions, which threatens the security of all of us.

Then I look at this budget and I expect to see those dangers, those threats, those challenges mirrored. I

expect to see at least the trace of a response from a Community which still represents the world's most important trading partners and the world's most vulnerable importer of energy, and what do I see? I see nothing. This is not the budget of reality, this is the budget of helplessness. This is not the budget of action, this is the budget of paralysis. This is not the budget of challenge, this is the budget not of lost opportunities but of rejected opportunities. This is the budget of surpluses, the budget which will spend a quarter of a million pounds an hour supporting milk production. It is a budget which turns its back on the real problems of our Community. And it does so because of that total domination of agriculture, the cuckoo in the Community's nest, a cuckoo which kicks out of the nest the other species. Yet those species are ones which more than ever today have an urgent call upon our resources.

What is the Council's response to this? Well, we get a declaration, a self-righteous and patronizing declaration. Mr President, there are few things more distasteful in this Community than the sight of the Council of Ministers in one of its periodic fits of self-righteousness. We have so many declarations from the Council that the only thing they are likely to create is a surplus of declarations. It appears that even while they were telexing to us their declaration, the Ministers were dedicating themselves with remarkable single-mindedness to demolishing the Commission proposals designed to tackle the problems of the agricultural sector.

Yet we gave the Council the means to go beyond declarations. We gave the Council the chance to act, to agree to a reduction in the financing of dairy surpluses which would have marked a real declaration of intent, a real declaration of purpose. We teed up the ball for them, they trod on it. We offered the Council movement, it chose immobility.

Let the Council beware. I was not elected to this Parliament to be bought off by a few glass beads, a few more pounds spent on regional or social policies, on the environment or on energy, while the agricultural policy is allowed to rampage though the Community's budget. Bringing the agricultural budget under control, let us be quite clear about this, is an absolute necessity for the welfare of all the farmers in this Community who have lived for years under the threat of uncertainty. If we cannot bring policy back into equilibrium, then there is no possibility for our farmers to plough their fields, grow their corn or even milk their cows in security. This is why we voted those modifications. The control of agricultural spending is an absolute prerequisite to liberate the Community budget from the tyranny of the common agricultural policy and to liberate those farmers from the perpetual uncertainty of that same policy. I see no reasonable hope of such liberation coming about and it is my resolve in that light to vote against the adoption of this budget.

## Curry

Mr President, this is my Community. I am still a young man. I have not seen the great moments of European or of national history. All I have got is here in this Community and that is what I want to influence, for myself and even more so for my children. The budget in front of us now negates every aspiration which impelled me to present myself as a candidate for this institution. If I were to vote for that budget as it stands now, I would be false to the aspirations which I have expressed to my family, to my children and to the people who voted for me in the election.

It is to uphold that trust for myself and my electorate that I intend to follow the dictates of my conscience. Unless there is some modification, unless there is a compromise of a far-reaching nature from the Council tomorrow, I shall follow the dictates of that conscience and vote against the budget.

*(Applause)*

**President.** — I call Mr Petronio.

**Mr Petronio.** — *(I)* Mr President, I should like to deal very briefly with a rejected budget heading which, in my view, has not received the attention it deserves. I refer to the fact, mentioned by Mr Dankert in his Report, that the Council did not accept a Commission proposal concerning staff.

To my mind, the Commission and the Council have attached far too little importance to the subject of electronics. I can give you a good example. Recently, the Italian State Electricity Board used 170 000 million of a loan from the European Investment Bank to put into commission an electronically based system for continuous control of the generation and transmission of electrical energy. However, about 70 000 m of this money, part of which came from the EIB, will go to the United States firm Rockwell, which is the only one capable of supplying us with the software. American firms will also be responsible for providing the hardware because neither Italy nor Europe is able to produce these sophisticated systems.

This is where the subject of staff becomes involved with that of electronics and data processing and transmission, which are referred to in our budgets but are never the subject of a suitable commitment or payment appropriation.

I should like the House to take note of this.

**President.** — I call Mr Didò.

**Mr Didò.** — *(I)* Mr President, there is no need for me to repeat the arguments advanced by previous Socialist speakers explaining why we cannot agree to the cuts which the Council insists on making under the various headings of the budget. I am more concerned with stressing the overall importance of the amendments adopted by Parliament on the first reading, despite a difficult conciliation operation.

The proposed amendments to the headings relating to the agricultural policy and the structural policies were tantamount to a message from Parliament imposing a duty on the Commission and the Council to re-cast the Community budget. In other words, they represented a precise statement of the course of action which Parliament, whose authority is based on universal suffrage and the votes of over 100 million electors, wished to follow and which the Council and the Commission cannot ignore.

It is not a matter of adjusting one or two budget headings and of satisfying particular interests or pressure groups on whose behalf some of our political groups claim to speak.

We want to see the motion adopted by Parliament accepted in its entirety. We contend that the budget headings constitute specific lines of economic policy laid down and coordinated at Community level, the declared aim of which is to resolve the problem of employment and to achieve a reasonable balance between the economics of the Member States and between the highly developed and less well developed regions and sectors.

The Community has problems of immense magnitude on its plate, ranging from the problem of energy, which involves both the search for alternative sources to petrol and the most stringent economy measures (basically by a reorganization of industry's energy demands), to the question of a new world-wide division of labour based on a new relationship between the industrialized countries and, finally, the enlargement of the Community, which renders even more acute the problem of economic and social convergence within the Community.

No country can hope to solve these problems on its own; only a global Community plan can deal with them. The failure of the Dublin Summit and the repeated demonstration by the Council of Ministers, in its various forms, of its inability to take decisions call for a new approach.

The European Parliament has said what it wants. As the Socialist Group has frequently said, we shall not emerge from our present disputes and difficulties until we can produce a multiannual Community budget which provides for a gradual increase in own resources and, at the same time, for an equally gradual process of restoring the balance between compulsory and non-compulsory expenditure on the basis of a revised agricultural policy and of more effective structural policies.

Moreover, it is only within the framework of a policy of medium-term planning that we can find a reasonable answer to such problems as that of the unequal burden of taxation, raised by the British, and ensure that the answer strengthens the Community instead of threatening to aggravate the conditions under which such issues are discussed.

**Didò**

Those are the grounds on which we refuse to adopt this budget or to tolerate any haggling between Parliament and the Council to negotiate an 'adjustment' under any of the headings. I am sorry that my colleague Mr Motchane is more concerned with arguing the toss with Mr Dankert than with the Council. We believe it would be much more useful and more satisfactory to our constituents to secure the presentation of a new budget which takes account of the proposals adopted by Parliament. This would not be the end of the world and the Commission is, in our view, quite capable of managing Community expenditure on the one-twelfth basis. We accordingly ask the Commission to prepare a fresh preliminary draft so as to set the procedure in motion again.

There may be a tendency in some sections of the Commission to demur at this on the pretext that the budget considered and amended by Parliament was the one presented by the Council. This is not a sound argument in view of the fact that, when it restored the Commission's proposals, Parliament went further and put up new proposals altogether in relation to agricultural expenditure. In any case, the Commission ought to have the decency to defend the draft budget which it prepared and the Council cut to pieces.

Moreover, the Council has no power to initiate proposals, since that is the duty of the Commission alone. This means that, if the budget is rejected, the Commission must make itself responsible for meeting Parliament's request that arrangements be made for the submission of a new draft budget to the Council. If this is not done, Parliament would have the right to pass a motion of censure on the Commission. This would, of course, provoke a crisis between the institutions but this would not be Parliament's fault.

We believe that such a situation need never arise; in any event, we must not lose sight of the fact that we owe a duty to our constituents to defend the prerogatives of this Parliament, not on abstract grounds of principle but because this is the way in which we can best do our duty by helping to resolve the problems of an economic and social crisis which, if we fail to act, may become increasingly grave and menacing.

*(Applause from the Socialist benches)*

**President.** — I call Mr Pedini.

**Mr Pedini.** — (I) Mr President, as Chairman of the Committee on Youth and Culture, I shall vote against this budget in its present form and I am confident that I shall have my Committee's full support.

Obviously, no one can contend that the Treaty of Rome provides for a cultural Community but our constituents are well aware that, if we do not intensify our efforts in connection with young people's training, the interchange of labour and improving the status of women and, if we fail to make any impact in

the cultural field, the Community will be so much the weaker. We managed to get Parliament to vote an increase of 3 191 000 units of account in expenditure on cultural activities. The Council of Ministers cut back nearly the whole of this increase, leaving only 190 000 units of account. But the figures do not matter; what matters is the political insensitivity which reflects failure to appreciate the importance of intervention in the cultural field, the absence of which is aggravated by the constant postponement of the meeting of Education Ministers.

In more general terms, I should like to endorse what Mr Didò has just said and, as an old hand in Community affairs, say that the situation is so serious and so clearly arises from a clash between the institutions, as well as over the budget, that it is to be hoped that tomorrow's Council of Ministers will be attended by the Ministers for Foreign Affairs as well as the Ministers for France, since this will make it more likely that they will present Parliament with a budget which corresponds more closely with our concept of a forward-looking Community, to be brought into being in appropriate stages on a basis which comprehends every activity of importance in the life of our citizens.

*(Applause)*

**President.** — I call Mr Johnson.

**Mr Johnson.** — Mr President, I come almost at the end of a long list of speakers. Many of those who have preceded me — and I have listened to almost all of them — have spoken of a crisis in the Community. Now, I do not see a crisis, I see an opportunity; and if we do not seize this opportunity now, it may never recur. I do not want to go over the same ground again, I am not going to criticize the Council; there has been enough criticism for one evening. Many of us may feel that the treatment meted out by ministers on 23 November was shocking, but this is not a moment for vindictiveness, we have to ask ourselves: what do we do now?

My own view is quite straightforward. The central thrust of our proposals concerns the need to cut back on agricultural spending. That is what the Dankert amendments are all about. On our side of the House we did not like the co-responsibility levy, and we said so; but we did like the proposal to transfer money out of the dairy sector, and we said that too. Of course there were other important amendments proposed by Parliament — on the Regional Fund, in the social sector, in the field of environment, I am glad to say. But the heart of the Parliament's proposal was agriculture.

Now, let us be quite clear. We are dealing here with modifications, not amendments; those modifications were rejected by the Council on 23 November, and there is no going back, there is no second bite at this cherry, you cannot restore what was lost.

**Johnson**

That is why, Mr President, I personally have made up my mind which way to vote on Thursday, and I do not expect to change my mind between now and then. Parliament's budget has been gutted. As the amendment put down by our group makes clear, the draft budget is a bad budget. It is a bad budget, and it simply cannot be made better by four paragraphs from the farm ministers. Nor — and I say this with great respect to my colleague Elaine Kellett-Bowman who sits next to me — can it be improved by a few million units of account here and there for the Regional Fund, or in the social sector, and so on. Any amount of conciliation or consultation — call it what you will — cannot disguise the fact that this is a bad budget, and we must throw it out. It is not really a question of asserting institutional competence. It is not really a question of flexing our muscles, as if that was important. It is simply a question of the proper management of Community funds.

I said at the beginning, Mr President, that this is not a crisis, but an opportunity. It is a tremendous opportunity. Paragraph 8 of the motion for a resolution which we have been discussing calls upon the House to reject the 1980 budget. Paragraph 9 calls upon the Commission to prepare a new preliminary draft budget on the basis of which the Council will prepare a new draft budget in accordance with Article 203. I do appeal to the Commission, Mr President — and I see Mr Brunner is with us tonight — not to shelter behind the precise language of Article 203. I am aware that Article 203 speaks of a draft budget, and not a preliminary draft budget, but the Commission consists of highly imaginative, highly able men; they will not shelter behind a technicality but they will, on the contrary, I know, make the most of this occasion.

Mr President, none of us so far has talked, except incidentally, about the Dublin Summit and the rupture which so nearly happened when an irresistible force — and I refer to Mrs Thatcher — met an immovable object — and I refer to the eight other summiteers. None of us has talked about the post-Dublin solution in the context of this budget discussion, and yet the two are inextricably linked. I always thought it was amazing that all the preparations for Dublin took place outside the normal context of the Community institutions. Frankly, Parliament was not a party to those discussions, even though major questions of direct relevance to Parliament were being discussed, such as the nature of the Community financing system and the pattern of Community expenditure in the Member States. We now have a chance to do better. The search for the solution to the British problem — and let us call it that — can be placed fairly and squarely where it belongs: with the institutions of the Community as a whole, as laid down in the Treaty — the Parliament, the Council, the Commission.

What in practice does this mean? It means that a new player is in the post-Dublin game. A new budget, carefully prepared by the Commission in close consultation with Parliament and the Council could go a long way to solving the British problem in an amicable context, at least as far as the pattern of expenditure is concerned. Instead of a supplementary budget incorporating post-Dublin solutions in energy and transport, in regional spending, we can get it right from the beginning in the context of a new draft. Perhaps this new budget, as part and parcel of the same package solution, can tackle the problem of the exhaustion of own resources at the same time in a comprehensive way.

Let us not be fainthearted, Mr President. You never are; let us not be. This is a chance to start again and to do better, and we may in fact all end up by thanking that British Treasury Minister who cast his vote on 23 November against the Dankert amendment. Whether he wanted to do so or not — and perhaps only history will relate this — he has given the Community an unprecedented opportunity to make a fresh start.

*(Applause)*

**President.** — I call Mrs Gredal.

**Mrs Gredal.** — *(DK)* Mr President, there are two points I wish to make in this debate. First, I want to explain why I may vote against the budget. I say may, because the Council still has the chance to comply with Parliament's wishes. But if it does not do so, we must reject the budget. Not — and I wish to underline this — because I want Parliament to have more power, but because I think the Council has not respected the powers that Parliament quite obviously does have. It has rejected perfectly reasonable and realistic proposals without the slightest thought or justification. Parliament's proposals are quite clearly in conformity with the statements which the Council of Heads of Governments have made on many occasions before this. The Council of Finance Ministers still has the chance tomorrow to lend credibility to the words of the Heads of Government.

The other point concerns our position with regard to the agricultural policy. We want control over agricultural expenditure, not to change the fundamental principles of the system, but to preserve them. Unless serious consideration is given to doing something about the milk sector, in particular, it must be clear to everyone that the whole system for agriculture will collapse and that will certainly not help the farmers. It is wrong — I shall just conclude with this — to accuse the Socialist Group of illwill towards the agricultural system. On the contrary we definitely wish to adhere to all the underlying principles of the agricultural system.

**President.** — I call Mr Romualdi.

**Mr Romualdi.** — (*I*) Mr President, there has been almost unanimous agreement on the grounds why this budget should be rejected. They are essentially technical grounds relating, as Mr Klepsch said, to the overall balance which the Council's action has virtually destroyed. Council must now pay regard to the clearly expressed wishes of the House and be prepared to consider a fresh budget.

Under the provisions of Article 78 of the ECSC Treaty, Article 203 of the EEC Treaty and the corresponding articles of the Euratom Treaty, the Commission must prepare a fresh budget, submit it for the Council's consideration and thereafter for renewed consideration by Parliament. Reference has been made to a trial of strength between the two main political institutions of the Community and it is to be regretted that it should be taking place at a time when only joint and determined action will enable the Community to get over a crisis affecting every sector of its economy. There have been well-justified references to arrogance and lack of sensitivity on the part of the Council and to its erroneous assessment of the economic and social situation confronting us. Apart, however, from any technical or economic consideration, the Council's attitude compromises the future of agriculture, the improvement of industrial output and the economic and social policies of entire regions in need of development — starting with Italy, which feels betrayed by the cut-backs which the Council has made. Over and above these things, the most serious feature of the situation is, undoubtedly, the political crisis to which the Council's decisions have given rise.

We have been told that this is not a crisis, merely a dispute. But, as Mr Klepsch said on behalf of most of us here, how can we get out of it when the Council itself realizes that it cannot get out of it with a few compliments, an adjustment or two and some small change? The Council must by now, be well aware that the elected Parliament is not the same as its predecessor and that Parliament cannot miss this opportunity of asserting its rights and demonstrating the moral and political authority which it derives from directly representing the nations of the Community. I sincerely hope that, despite everything, a way out will be found — despite the lack of sensitivity and despite what has occurred in recent months to confirm that, instead of representing the Governments and nations of Europe, the Council merely reflects the divisions and dissensions of the parties of which it is composed.

**President.** — I call Mrs Kellett-Bowman to introduce the opinion of the Committee on Regional Policy and Regional Planning.

**Mrs Kellett-Bowman, draftsman of the opinion.** — Mr President, there can be little doubt that the most

serious problem which has beset the Community is the widening gulf between the richer and the poorer regions of the Community. The gap has already widened from 4.1 to 6.1 and it is getting worse, and if nothing is done to reduce it the Community will fall apart at the seams, and that very soon. With this in mind, the Commission proposed in the 1980 budget a figure for the Regional Development Fund of 1 200 million units of account, including the non-quota section. Now this is a very modest amount when the House considers that as far back as 1973 the Commission proposed 1 000 million units of account for 1976, three years ago, which, indexed for inflation, would equal 1 280 millions, and in its triennial estimates for 1979 to 1980 proposed 1 250 million. Indeed, so modest was the 1 200 million proposed by the Commission that my committee was sorely tempted to raise the figure, which we regarded as an absolute minimum. We refrained from doing so only because we wished to present a united front with the Commission. We were amazed that the Council cut this already meagre sum to 850 million, and subsequently grudgingly raised it to 960 for the quota and 50 million for the non-quota. There is a crisis in shipbuilding, in steel and in textiles, and you don't cure a crisis, Mr President, in three of the biggest industries in the Community with a meagre 50 million. These totally inadequate sums the Committee on Regional Planning and Regional Policy and the Committee on Budgets rightly totally rejected.

Unless during the final conciliation the original figure of 1 200 million units is restored and other improvements are made towards a more balanced budget, the Committee on Regional Policy and Regional Planning and the European Democratic Group will consider that the budget is so bad that it ought to be rejected so that a new and properly balanced budget which properly represents the hopes and aspirations of the people of Europe can be brought in its place. Thank you, Mr President.

*(Applause)*

**President.** — The debate is closed. The vote will be held on Thursday at 10.30 a.m.

#### 14. *Urgent procedure*

**President.** — I have received from Mr Pajetta, Mr Fanti, Mrs B. Glorioso, Mrs Barbarella, Mr Bonaccini, Mr Cardia, Mrs C. Romagnoli, Mr Carossino, Mr Cera-  
volò, Mr D'Angelosante, Mr De Pasquale, Mr Ferrero, Mr Galuzzi, Mr Gouthier, Mr Ippolito, Mr Leonardi, Mr Papapietro, Mrs C. Rodano, Mr Segre, Mrs Squarcialupi and Mr Veronesi a motion for a resolution, with request for urgent debate pursuant to Rule 14 of the Rules of Procedure, on the suspension of any decision on the manufacture and installation of new missiles in Europe (Doc. I-591/79).

**President**

The reasons supporting this request for urgent debate are contained in the document itself.

I shall consult Parliament tomorrow morning on the urgency of this motion for a resolution.

15. *Agenda for next sitting*

**President.** — The next sitting will be held tomorrow, Wednesday, 12 December 1979 from 9 a.m. until 1 p.m. and from 3 p.m. until 7 p.m. with the following agenda :

- vote on six requests for urgent procedure ;
- Hoff report on the fixing of the ECSC levies for 1980
- statements by the Council and the Commission on the European Council in Dublin ;
- statement by the Council on the Irish presidency.

5.30 to 7 p.m. :

Question Time (questions to the Council and Foreign Ministers)

The sitting is closed.

*(The sitting was closed at 7.10 p.m.)*

## SITTING OF WEDNESDAY, 12 DECEMBER 1979

## Contents

1. <i>Approval of minutes</i> . . . . .	114	<i>Council</i> . . . . .	131
2. <i>Documents received</i> . . . . .	114	<i>Mr Ruffolo (S); Mr Colombo (EPP); Mr Fergusson (ED)</i> . . . . .	137
3. <i>Authorization of committees to deliver opinions</i> . . . . .	114	<i>Point of order: Mr de Goede</i> . . . . .	145
4. <i>Decision on urgency;</i>		7. <i>Electronic voting;</i>	
<i>Mr Scott-Hopkins; Mr Klepsch; Mr Capanna; Mrs Weber; Mr Scott-Hopkins; Mr Collins</i> . . . . .	114	<i>Mr Patterson; Mr Johnson</i> . . . . .	145
<i>Point of order: Mr Pajetta</i> . . . . .	116	<i>Points of order: Mrs Kellett-Bowman; Mr Howell; Mr Patterson</i> . . . . .	146
<i>Mr Collins; Mr Galland; Sir Henry Plumb; Mr Bangemann</i> . . . . .	116	8. <i>Statements by the Council and Commission on the European Council — Statement by the Council on the Irish presidency (continuation);</i>	
<i>Point of order: Mr Rogers</i> . . . . .	117	<i>Mr Segre; Mr Bangemann (L); Mr de la Malène (EPD); Mr Blaney; Mr de Goede; Mrs Castle; Mr Blumenfeld; Mr Normanton; Mr Damette; Mr Berkhouwer; Mr Nyberg; Mrs Macciocchi; Mr Paisley; Mr Jaquet</i> . . . . .	146
<i>Mr Newton Dunn; Mr Ruffolo; Mr Herman (EPP); Mr Arndt (S); Mr Bangemann (L); Mrs Castellina</i> . . . . .	117	9. <i>Agenda;</i>	
<i>Point of order: Mr Johnson</i> . . . . .	118	<i>Mrs Ewing; Mr Provan; Mr Moreland; Mr Spicer</i> . . . . .	165
<i>Mr Capanna; Mr Marshall (ED); Mr Haagerup (L); Mrs Buchan</i> . . . . .	118	<i>Points of order: Mr Moreland; Mr J. D. Taylor</i> . . . . .	165
<i>Point of order: Lady Elles</i> . . . . .	119	10. <i>Urgent procedure</i> . . . . .	166
<i>Mr Bangemann</i> . . . . .	119	11. <i>Statements by the Council and Commission on the European Council — Statement by the Council on the Irish presidency (continuation);</i>	
<i>Point of order: Mr Coppeters</i> . . . . .	119	<i>Mr Penders; Mr Prag; Mr Haagerup; Mr Romualdi; Mrs Groes; Mr McCartin; Sir David Nicolson; Mr Galland; Mr Almirante; Mr Seligman; Mr Turner; Mr Sarre; Mr Ortoli, Vice-President of the Commission</i> . . . . .	166
<i>Mr Pajetta; Mr Rogers; Mr Arndt (S); Mr Klepsch (EPP); Mr Bangemann (L); Mr Balfour (ED); Mr Fanti (COM); Mr Coppeters (I)</i> . . . . .	119	12. <i>Agenda;</i>	
5. <i>ECSC Personal Statement: Mr Rogers levies for 1980 — Report by Mrs Hoff on behalf of the Committee on Budgets (Doc. 1-582/79);</i>		<i>Mr Patterson</i> . . . . .	176
<i>Mrs Hoff, rapporteur</i> . . . . .	122	13. <i>Agenda for next sitting;</i>	
<i>Mr Konrad Schön (EPP); Mr Damette; Mr Ansquer (EPD); Mr Bonde; Mr Leonardi; Mr Tugendbat, Member of the Commission</i> . . . . .	124	<i>Point of order: Mr Spicer</i> . . . . .	177
6. <i>Statements by the Council and Commission on the European Council — Statement by the Council on the Irish presidency;</i>			
<i>Mr Jenkins, President of the Commission</i> . . . . .	129		
<i>Mr Leniban, President-in-Office of the</i>			

## IN THE CHAIR : MR PFLIMLIN

*Vice-President*

(The sitting was opened at 9.00 a.m.)

**President.** — The sitting is open.

1. *Approval of 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 received*

**President.** — I have received the following motions for resolutions tabled pursuant to Rule 25 of the Rules of Procedure :

- by Mrs Cassanmagnago Ceretti, Mrs Rabbethge, Mr Bersani, Mr Michel, Mr Narducci, Mr Vergeer, Mr Pedini and Mr Colesselli, on behalf of the Group of the European People's Party (CD), on the outcome of the meeting held on 23 October 1979 by the Council of Development Cooperation Ministers (Doc. 1-585/79/rev.),

which has been referred to the Committee on Development and Cooperation as the committee responsible and to the Committee on Budgets for its opinion ;

- by Mr Luster, Mr Klepsch, Mr Rumor, Mr Blumenfeld, Mr Nothomb, Mr Penders, Mr Diligent, Mr Ryan and Mr Spautz, on behalf of the European People's Party (CD), on the appointment of the Commission of the European Communities (Doc. 1-586/79),

which has been referred to the Political Affairs Committee.

3. *Authorization of committees to deliver opinions*

**President.** — At their request and pursuant to Rule 38 (3) of the Rules of Procedure, the following committees have been authorized to deliver opinions on the following questions :

- Political Affairs Committee and Committee on Youth, Culture, Education, Information and Sport
- motion for a resolution on the setting-up of a special committee to study problems arising from the multilingualism of the European Community (Doc. 1-331/79)
- motion for a resolution on the Charter of Rights of ethnic minorities (Doc. 1-371/79)
- Committee on Agriculture and Committee on Social Affairs and Employment
- third report from the Commission to the Parliament and to the Council on the implementation of the directives on the reform of agricultural structures and, in particular, on the social and

employment policy aspects discussed in this document

- Committee on Energy and Research and Committee on Transport
- proposal from the Commission for a directive on the weights and certain other characteristics (not including dimensions) of road vehicles used for the carriage of goods (Doc. 575/78)
- Committee on Budgetary Control
- proposal from the Commission for a regulation amending for the second time a regulation on Community transit (Doc. 1-372/79).

4. *Decision on urgency*

**President.** — The next item is the vote on various requests for urgent procedure.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Mr President, something seems to have gone a little adrift with our procedures, because these requests for urgency, on which a vote is to be taken this morning, were not available until a very late hour last night. This is probably no fault of our services at all, but it has just happened that way. Certainly in my group at least, we have had no time at all to examine these requests. This procedure of coming in here and receiving requests for urgency only when you arrive in the building in the morning, without having had a group meeting, makes it impossible to come to a group view as to whether or not one should support or reject. I thought that the Bureau had, anyhow, already decided that we should not be taking requests for urgency during this sitting in the morning. Probably there is no way of getting around it today, but it really is very unsatisfactory when honourable Members have not had a chance of seeing these requests until they arrive in the building and are asked for a vote within five minutes. I find it totally unsatisfactory.

**President.** — I call Mr Klepsch.

**Mr Klepsch.** — (D) Mr President, I agree with what Mr Scott-Hopkins has just said and should like to raise another point. For this sitting we made a gentlemen's agreement that there should be no votes on urgent procedure before Thursday. I do not think it very fair of the group chairmen not to have informed their groups of the existence of this gentlemen's agreement. This leaves me no alternative but to vote against all today's requests for urgent procedure.

**President.** — I call Mr Capanna.

**Mr Capanna.** — (I) Mr President, there are two points I should like to make. The first point is that the motions for which urgent procedure is being requested have not been printed in all the official languages. The motion signed by myself and others

## Capanna

on the problem of nuclear arms has been distributed only in Italian and English. The motion tabled by the Communist and Allies Group on the same subject has not, as far as I know, been distributed in any language. The other motions, including the one signed by Mr Collins and others, have not yet reached us.

On the other hand, Mr President, you are well aware that, despite what Mr Klepsch may think, Article 14 (1) of the Rules of Procedure lays down that 'the vote on the request for urgent debate shall be taken at the beginning of the next sitting'. Since these requests were made yesterday, we have to put them to the vote this morning.

Some of the motions — particularly the two on the problem of nuclear arms — are extremely urgent. You are all aware that today marks the opening of the NATO Council meeting in Brussels to study the problem and reach a decision on it. There can therefore be no doubt as to the urgency of these motions.

To enable us to give the motions serious consideration, they must be distributed as soon as possible to all Members and in all the official languages.

**President.** — I call Mrs Weber.

**Mrs Weber.** — (*D*) Mr President, I should like to second part of what the previous speaker said, but I do not agree with his suggestion that we should vote against all requests for urgent procedure. Instead I should like to suggest that we discuss such requests at a later stage in the proceedings. With the present procedure, it is impossible before the sitting to have any idea about what is to be discussed, because the documents are not distributed until the morning. The very first motion for a resolution deals with a subject which really must be discussed and voted on urgently, namely the Council's procedure for consulting Parliament, and I should like to advise the House strongly against adopting urgent procedure for these matters now. We cannot now go into the subject matter, but I think we need to vote on the requests for urgent procedure today, perhaps at the beginning of this afternoon's sitting. Otherwise it makes no sense. We cannot simply say that all the requests for urgent procedure are suddenly no longer urgent.

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

**Mr Scott-Hopkins.** — My proposal, Mr President, is that we should take the vote now. I must say to you, and to the House, that I shall be voting against urgent procedure for all of these items. They ought in fact to have come on the order paper for tomorrow; that was what we had agreed to. The only reason they are on the order paper now is that we have not had time to see them. My group will be voting against urgent procedure for them. But I really do propose, Mr President, that in future, unless motions for resolution are circulated at least 24 hours before they are to be put

to the vote, it should be out of order to put them on the order paper in the morning. We have got to deal with the situation as it is now, but that is what I propose for the future.

**President.** — I would point out that I have applied Rule 14 (1) of the Rules of Procedure, which stipulates that :

A request that a debate be treated as urgent may be made to Parliament by the President, by at least twenty-one members or ... This request shall be in writing and supported by reasons.

As soon as the President receives a request for urgent debate, he shall inform Parliament of the fact; the vote on that request shall be taken at the beginning of the next sitting.

This information may indeed have been given late and I understand the difficulties of the political groups, which were unable to discuss it. I admit that there is a problem, but it must also be admitted that the procedure being followed is strictly in accordance with the Rules of Procedure, since this is the beginning of the following sitting.

It is up to each Member to act as he thinks fit during the voting which is about to take place, but I note that Mr Scott-Hopkins does not object to our dealing immediately with these requests for urgent procedure: he is only asking that at other sittings account be taken of his and Mr Klepsch's remarks.

We shall deal first with the *motion for a resolution by Mr Collins and others (Doc. 1-555/79/rev. II): Procedure for consulting the European Parliament.*

I call Mr Collins.

**Mr Collins.** — First of all, Mr President, I must say I am very disappointed that Mr Scott-Hopkins should take the attitude that he does, indicating that the groups should all vote against urgent debate without having considered matters on their merits. This motion for a resolution, as you can see from the date, was placed before Parliament on 29 November. That is hardly short notice. You will also notice that the signatories come from all political groups in this House. It is not a motion which comes before the House from a particular political group. It is a motion which comes before this House from a committee. It comes from the Committee on the Environment, and members of Mr Scott-Hopkins's own party are signatories to it. We are asking for urgent debate, Mr President, because in this particular case we discovered, in the process of reaching our conclusion and producing a report in the committee, that the Council of Ministers had already *de facto* given general endorsement to the subject matter of the report, and we are bringing this before the House for urgent procedure because we believe that it is absolutely essential to uphold the authority of this House and of the committees, and to ask the Council to postpone their decision. We must

**Collins**

have urgent procedure, because otherwise our report will not come before the House until January. The Council may well have made up its mind before then. The procedure is therefore absolutely urgent, and can only be debated by this House. It cannot be referred to a committee, since the committee has already discussed the matter.

**President.** — I can call one speaker for, and one speaker against, the request for urgent debate.

I call Mr Pajetta on a point of order.

**Mr Pajetta.** — (*I*) Mr President, ladies and gentlemen, I think that despite the objections which have been raised — some of them justified — we should vote in favour of urgent procedure for these motions on problems which we have to tackle. We cannot refuse to consider these problems if we want to call ourselves a European Parliament. It is a matter of the life or death of our continent!

**President.** — We are beginning our consideration of the requests for urgent procedure, so you are satisfied.

**Mr Pajetta.** — (*F*) It is for me to say whether I am satisfied or not.

**President.** — But I thought I could interpret your feelings.

**Mr Pajetta.** — (*F*) You may interpret them.

**President.** — I put the request to the vote.

Since the result of the show of hands is not clear, a fresh vote will be taken by sitting and standing.

The request is rejected.

The motion for a resolution is referred to the committee responsible.

I call Mr Collins.

**Mr Collins.** — This relates to Rule 24, Mr President. I want to know which committee is responsible.

Since this has already come to the House from the committee responsible, you already know their view.

**President.** — Yes, that is right, it is the same committee.

I call Mr Galland.

**Mr Galland.** — (*F*) Mr President, might we not use the electronic voting system for the next vote? Yesterday evening we tested it, and it works very well except for the roll-call. Thus, if no-one asks for a roll-call to be taken for all the votes due to be held this morning, we could use the electronic system.

**President.** — We can test the system. I was told yesterday that it was complete except for the roll-call.

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**President.** — We shall now consider the proposal (Doc. 1-560/79): *Directive amending Directive 66/403/EEC on the marketing of seed potatoes.*

I call Sir Henry Plumb.

**Sir Henry Plumb, chairman of the Committee on Agriculture.** — Mr President, I request urgent procedure, hopefully without debate, on this matter. It has been brought to us at fairly short notice from the Commission. The measure concerned only affects seed potatoes imported into Italy from Canada under a national decision on equivalence taken before the prescribed date of July 1975.

The reason for the late presentation of the proposal now before us was precisely the need to wait for the outcome of an analysis by the Commission, particularly concerning the problems of plant health. However, a total or sudden ban on the importation of seed potatoes from Canada would cause great harm to Italian producers, who planned their sowings around the anticipated availability of the Canadian product. I therefore request urgent procedure, Mr President, I hope without debate. If this Parliament approves urgent procedure, could I ask the members of the Committee on Agriculture to meet this evening at 6.30 p.m., when, as the appropriate committee, it can consider the matter and bring back a report to Parliament?

**President.** — Ladies and gentlemen, I would ask you to wait a few moments to ensure the best possible operation of the system.

I call Mr Bangemann.

**Mr Bangemann.** — (*D*) Mr President, to allow you those few moments and perhaps make profitable use of them, I should like to raise the following point. If I have understood correctly, the chairman of the Committee on Agriculture has made a very sensible proposal which would allow us not to vote on urgent procedure now, in which case the Committee on Agriculture could discuss the matter this evening and tomorrow we could, depending on what that Committee decides, vote either on urgent procedure or on another proposal. I therefore move that we do not vote on this request for urgent procedure until tomorrow, after the Committee on Agriculture has discussed it.

**President.** — This is in fact a proposal on which the House can vote straightaway. The vote will be taken by a show of hands.

**President**

I put the proposal to the vote.

It is agreed to postpone the vote until tomorrow.

I call Mr Rogers on a point of order.

**Mr Rogers.** — I thought it was customary that one person was asked to speak for and one person against before the vote was taken.

**President.** — That is so, but this was not strictly a vote on urgent procedure. It was a proposal by the chairman of the Committee on Agriculture to refer the motion to committee.

I call Mr Rogers.

**Mr Rogers.** — Mr President, you must accept that there is a slight delay in the interpretation procedure. However, I disagree with you about this not being a request for urgent debate, because that is what is stated on the agenda. Where anything to do with farming or agriculture is concerned, the rules can be broken, but on nuclear weapons or radio-active waste management we have to go through the procedure properly. When it has to do with agriculture or farming, the rules can be ignored. You really should have given someone an opportunity to speak against. If we can hold up the health of individuals, then we can hold up seed potatoes.

**President.** — You shall have complete satisfaction, since the vote will be taken tomorrow with the added advantage that the Committee on Agriculture will have been able to deal with the subject in the meantime.

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**President.** — We shall now consider the *Newton Dunn report (Doc. 1-570/79): Chlorofluorocarbons in the environment.*

I call Mr Newton Dunn.

**Mr Newton Dunn.** — Mr President, as rapporteur for this report, I am perfectly happy to propose that we take the motion for urgent debate tomorrow morning.

**President.** — We therefore have a proposal that the vote be postponed until tomorrow. I consult Parliament on this request.

It is agreed to postpone the vote.

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**President.** — We shall now consider the *motion for a resolution by Mr Glinne and others (Doc. 1-578/79): Outcome of the European Council in Dublin.*

I call Mr Ruffolo.

**Mr Ruffolo.** — (I) Mr President, the Socialist Group has tabled a motion for a resolution on a subject which we shall be debating shortly — probably this very morning. I refer to the outcome of the European Council in Dublin. This is a matter whose importance I need hardly stress. Our motion for a resolution expresses opinions on what happened there — or rather did not happen — as well as proposals which we consider important enough to warrant our tabling the motion with a request for urgent debate. We therefore feel, Mr President, that Parliament should be able to react immediately to the outcome and conclusions of the European Council in Dublin.

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

**Mr Herman.** — (F) On behalf of the Group of the European People's Party, we ask the House to vote against urgent procedure, since most of the points which figure in the motion will be the subject of a debate on the von Bismarck report due to be held tomorrow or the day after. We must therefore not anticipate this debate by voting on this motion.

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

**Mr Arndt.** — (D) Mr President, on behalf of the Socialist Group I should like to point out that this motion is concerned with the outcome of the Dublin meeting of the European Council. In any case the statements by the Council and Commission of the European Communities on this meeting in Dublin are on today's agenda. So even if you vote against this request for urgent procedure, you cannot reject the debate on this motion, which does not belong to the von Bismarck report but to item 121, which is on today's agenda. It goes without saying that we — and I am sure that the House as a whole will accept it — shall debate our motion in connection with this item. You cannot prevent that, and I assume that you consider it right. Thus it would be perfectly fair to debate our motion and the other item jointly. So it only remains to decide how and in what form this motion is to be incorporated into the debate. This means that this problem does not come under Rule 14 of our Rules of Procedure, which only provides for the inclusion of an item on the agenda by means of urgent procedure. I repeat that this item is already on our agenda. All we want to know is whether the House agrees to include our mention of a resolution in the debate on this item. This seems to me a normal parliamentary procedure to which the other groups could easily agree.

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

**Mr Bangemann.** — (*D*) Mr President, on behalf of my group I should like to point out to Mr Arndt that what he has just said only appears logical on the surface. No one has suggested that we should not deal straightaway with the report on the outcome of the Dublin summit. That is perfectly obvious. But there is quite a considerable difference — and Mr Arndt is well aware of it — between a debate on a report on which the individual groups state their views and a motion for a resolution which at the end of such a debate sums up something which the House might well want to sum up differently. So it makes a great deal of difference whether we debate with or without a motion for a resolution. We would also have to table amendments, which would also have to be debated, thus completely changing the character of the debate. Indeed, it is the great advantage of this debate that there is no motion for a resolution, because that gives the Council, the Commission and the individual groups a chance to deal directly with what has been said instead of with what is stated in a motion for a resolution. Since this is all so obvious, I regret having to take up time in stating it.

One last sentence, Mr President: like Mr Klepsch, I do not find it very satisfactory that, after the group chairmen and all the vice-presidents have agreed in the enlarged Bureau not to allow this week's proceedings to be held up by requests for urgent procedure, the chairman of the Socialist Group immediately requests urgent procedure.

**President.** — I call Mrs Castellina.

**Mrs Castellina.** — (*I*) Mr President, I do not think the arguments put forward here in favour of an urgent debate can be faulted in any way whatsoever, because I quite frankly fail to see the point of having a debate today if it does not produce any results, if there is no vote, if we do not express our views on the outcome of the European Council. Everyone here considers what happened in Dublin to be an extremely serious matter, and yesterday, in the budget debate, I think Parliament was in broad agreement in strongly criticizing the Council's behaviour not only towards Parliament, but on the whole problem of the future of the Community. To hold such a major debate without Parliament being able to express its opinion would thus really make a laughing stock of this House. We are therefore in favour of the Socialist Group's request for urgent procedure.

**President.** — I put the request to the vote.

The request is rejected.

The motion for a resolution is referred to the committee responsible. I call Mr Johnston on a point of order.

**Mr Johnston.** — (*F*) Could we now use the electronic voting system?

**President.** — As soon as the system is ready, I shall not hesitate to pass the good news on to the House.

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**President.** — We shall now consider the *motion for a resolution by Mr Capanna and others (Doc. 1-589/79): Threat posed by nuclear weapons to the general public.*

I call Mr Capanna.

**Mr Capanna.** — (*I*) Mr President, our motion contains two main requests: firstly, it asks Parliament to call upon the governments of the Member States concerned to take urgent, immediate and effective steps to prevent the siting of further American nuclear weapons in Europe and to obtain the withdrawal of the Soviet SS-20 missiles already sited there. At the same time, it calls upon the national governments to take steps to reduce the balance of arms to as low a level as possible in both eastern and western Europe. To be quite frank, I do not think there can be any doubting the urgent need for a debate in Parliament on matters of such extreme importance. What can be more urgent, Mr President, ladies and gentlemen, than a decision to accept deadly weapons of a power so horrifying that, if they ever came to be used, the countries and peoples of Europe would be quite literally wiped out? I think anyone denying the urgency would have to resort to such hypocritical reasoning as maintaining that we were prevented from debating such matters by the Treaties. This just not true, Mr President. Parliament has already debated arms questions on two occasions. The first time was at the end of 1978, in the old Parliament, on the basis of a bulky document which went down in history as the Klepsch Report. The second time was only last September, on the basis of the report presented by Mr von Hassel and Mr Fergusson. In both cases the problem of armaments was debated with reference to the industrial aspect.

In our motion, we propose that this problem be discussed with reference to the living and working conditions of the peoples of Europe, and take note, Mr President, we are doing this in full agreement with one of the articles in the Treaty establishing the EEC — I refer to the recital in which the heads of the signatory States solemnly affirm as the essential objective of the Treaty the safeguarding the living and working conditions of the peoples of Europe. It is thus obvious and undeniable that, if these weapons were introduced and they should ever come to be used — it doesn't matter by which side — it would mean the end of the world ...

**President.** — Mr Capanna, you are speaking on the subject of the motion, instead of on its urgency.

**Mr Capanna.** — (I) I am just finishing, Mr President. I do not think there can be anyone here who can honestly, in all conscience, vote against Parliament's holding an urgent debate on these problems.

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

**Mrs Marshall.** — Mr President, when one looks at the unholy alliance that has produced this motion, one can sense that it is a motion that this House would do well to reject. Having looked at the alliance that produced it, and then having listened to the speech in favour of it, I have never heard so much nonsense in such a short time in this House. Infact, it is the nuclear weapons of the world that have given the continent of Europe 35 years of peace, and if we were to listen to the proposers of this motion, peace in the Western world would be very much under threat. They have talked a lot of hypocritical nonsense, and this House should pay no attention to what they have said.

(Applause)

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

**Mr Haagerup.** — (DK) Mr President, I can only express my complete approval of all that has already been said, so I do not think we need spend any more time on the matter.

**President.** — I call Mrs Buchan.

**Mrs Buchan.** — Mr President, as one of the signatories, I reserve my right to speak on a matter of urgency. And I shall do this in two minutes sharp. I ask the House to act with urgency because the matter is already deteriorating day by day before our very eyes. With tougher speeches on all sides — and we have already heard one idiotic and tough speech here this morning — it is now time for this Parliament to add its voice to those who are calling on the powers of the world to call a halt. When we see the world moving towards the edge of nuclear disaster, the matter *is* urgent. That is not a point in dispute, surely, between sensible political people. Let us raise every political voice. It *is* a matter of urgency. Otherwise all the fine talk from the Euro-fanatics here about Europe will come to nothing. The matter is urgent. I have lived in Scotland with a nuclear base down the road from my house for over twenty years. I am not a Johnny-come-lately to the scene. It is on behalf of the children of Europe that we should now add our voice to that of the Dutch Parliament, to welcome its action, and to call the world back from the edge of disaster.

(Applause)

**President.** — I call Lady Elles on a point of order.

**Lady Elles.** — Mr President, according to Rule 14 (2), second subparagraph, of the Rules of Procedure, only

the spokesmen for the political groups may be heard. I do not believe that the last speaker was speaking in that capacity, and therefore her speech was out of order.

(Cries of 'Hear, hear!')

**President.** — I call Mr Bangemann.

**Mr Bangemann.** — (D) Mr President, we can settle the matter quickly. I should like to state that Mr Haagerup was speaking on behalf of my group, and I would ask Mr Arndt to state that the lady has just spoken on behalf of the Socialist Group.

(Loud applause)

**President.** — I put the request to the vote.

The request is rejected.

The motion for a resolution is referred to the committee responsible.

I call Mr Coppieters on a point of order.

**Mr Coppieters.** — (NL) Mr President, you have exceeded your competence. You should have allowed a spokesman for our group to make a statement, for which you should have given an opportunity before the vote. But you refused to do so, and what is more, my name was down to speak.

**President.** — The remark you have just made is not justified. Rule 14 (2) of the Rules of Procedure states that :

... the spokesmen of the political groups may also be heard, at their request and for a maximum of three minutes each, unless they have already spoken on that request for urgent debate.

It so happens that Mr Capanna had already spoken on this matter.

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**President.** We shall now consider the *motion for a resolution by Mr Pajetta and others (Doc. 1-591/79): Manufacture and installation of new missiles in Europe.*

I call Mr Pajetta.

**Mr Pajetta.** — (I) Ladies and gentlemen, I hope you will let me ask you to approve the request for urgent debate, without insulting anyone or offending Parliament.

I feel we should vote in favour of urgent procedure. Referral to committee would not be right at the very moment and it is essential to have a debate, when more and more people all over Europe are beginning

**Pajetta**

to ask questions. Our motion for a resolution repeats word for word what we proposed to the Italian parliament, although it failed to get a majority there.

We are not asking for a return match. Over the last few days, even the last few hours, more and more people have been expressing their doubts and their opposition in Italy and elsewhere in Europe. Why do we not want to debate this here? Why do those who object to our views not want to reply? We ask you not to gag this Parliament, we ask you not to prevent those who are asking themselves and others questions from speaking and putting proposals to the House. We ask you not to deny us a responsibility and a right which are also yours, as Members of this Parliament.

For our part, we have rejected all procedural tricks. We also consciously reject any attempts to make political capital out of such a serious and disturbing problem. In this spirit, ladies and gentlemen, we would ask you not to reject our request out of hand, but at least to join in debating the matter and exchanging views. After that, everyone can vote according to his or her conscience, in the full knowledge that they have done their duty as the representatives of the electorate, instead of having taken part in a sort of tournament, in which each group can claim a transient victory or maintain that it gained more applause or made the strongest speeches.

**President.** — I call Mr Rogers.

**Mr Rogers.** — Mr President, it might seem rather strange that, as a signatory to the previous motion, I should speak against urgent debate on this motion. The reason why I do so is that it is quite obvious from the previous vote that this one is not likely to succeed, and therefore I think that we are wasting Parliament's time.

Thank you for agreeing. It is quite obvious that those in the majority opposite do believe in the logic of the arena, they do believe that children's lives should be put in jeopardy...

*(Laughter)*

... they do believe that world peace can be solved by the logic of the gladiators, they believe in overkill, they do not see the sense in asking both America and Russia to stand back and leave Europe to the Europeans to sort out their problems. They believe in this situation where there will be no peace in Europe, and we shall continually be pawns with the two major powers crushing us in between them. It is because of that that I do not think we should give it urgent debate. It is quite obvious that those who will vote against it are really not interested in Europe, and are really not interested in the human race as such, but only in their own particular capitalist vested interests.

*(Laughter from certain quarters)*

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

**Mr Arndt.** — *(D)* Mr President, I feel that, on behalf of the Socialist Group, I must again draw attention to one point. The reason given to support the urgency of this motion is that a NATO decision is due today. Whatever we do, whether we vote for or against urgent procedure, this motion — in accordance with the request to the President to forward this resolution to the Council of the European Communities — would in any case be too late for today's meeting of the NATO Council. So however fast we work, this resolution, just like the previous one, cannot have any effect on the decision to be taken today. On the other hand, however, I assume that most of the groups in this House support quite a number of the points contained in these motions, namely those seeking to prevent further armament and the stationing, both here and in Eastern Europe, of weapons of mass destruction. I therefore think it would be much better to refer the motion to committee so that a joint opinion can be worked out with regard to disarmament and the prevention of the mutual threat posed by missiles. I therefore feel that we must reject urgent procedure today. In an intensive discussion in the Political Affairs Committee we must see to it that this Parliament, too, must leave no stone unturned in its efforts to ensure that such missiles are not stationed on both sides. We believe that this problem will be dealt with very thoroughly in committee and will therefore vote for its referral to committee.

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

**Mr Klepsch.** — *(D)* Mr President, I can be brief. My group has given its views on this question in a press release. However, with regard to this second request for urgent procedure, I should like to remind the Communist and Allies Group that they were also party to the Bureau's gentlemen's agreement not to overload this week's agenda with requests for urgent procedure, and I must point out to you that our proceedings have already been held up for an hour, even though none of these requests for urgent procedure — and their authors were aware of this beforehand — would gain majority support in the House. I can therefore only say that I agree fully with Mr Arndt that the best place to examine the content of these proposals is in the Political Affairs Committee. Indeed, we shall be very pleased to discuss them in depth before reporting back to Parliament. But I should like to stress most firmly that I see no reason whatsoever why we should now adopt urgent procedure. I should also like to address a remark to Mr Rogers. He is after all a Vice-President of Parliament and I would urge him to reflect on what he has just done. He has compromised the dignity of Parliament

**Klepsch**

by his disregard for the Rules of Procedure, and I would expect a Vice-President of this House to think more carefully in future.

*(Applause)*

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

**Mr Bangemann.** — *(D)* Mr President, since what Mr Rogers said may give rise to misunderstandings as to my group's attitude, I should like to state on behalf of my group that we in no way agree with Mr Rogers' interpretation of the motives for voting the way we did. There is no one in our group who does not support the call for disarmament. But there are several reasons why we have actually voted against all the requests for urgent procedure this morning, and Mr Rogers, who is a member of the enlarged Bureau, is well aware that we wanted to and had to take that course of action so as not to impede the proceedings in this Parliament. I think that what he said — and Mr Arndt has also stressed this — is not at all directed against those who are against urgent procedure, but against a large section of his own group. I would ask Mr Rogers to read the speeches by Willi Brandt and Chancellor Schmidt at the SPD Congress in Berlin. If he did so, he would notice that there is a great difference not only of form but also of substance between what he is calling for here and what his fellow-socialists said in Berlin.

Just one last word about the way in which the Communist Group has once again broken a gentleman's agreement. Mr President, it is impossible for this Parliament to function properly if we do not keep to such arrangements.

But this perhaps proves the old saying that a gentleman's agreement is only worth anything if it is made between gentlemen.

*(Loud applause)*

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

**Mr Balfour.** — Mr President, I was going to congratulate Mr Rogers on the smoothness with which he had slipped through beneath your gavel, your tough disciplinary control, but I think that I am persuaded by Mr Klepsch's intervention and I do not think he should have done it. I would, however, remind him that one of the reasons why our group is against the request for urgent procedure is precisely that we fear that America might obey but Russia might not. There are, Mr President, a hundred issues of supreme importance for urgent debate by this House, and it is the putting forward of such issues as this for urgent debate each day that will prevent those for which we are really prepared from being put, and necessitate their eternal postponement.

*(Applause)*

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

**Mr Fanti.** — *(I)* Mr President, ladies and gentlemen, I did not think I would have to speak on behalf of the Communist and Allies Group, since I thought comrade Pajetta had made the point when he asked you all to think things over and act responsibly on our request for urgent procedure, considering that this very day the NATO Council is starting its meeting, so that Parliament had a chance to debate the matter and make its views and its desire for peace heard.

Kr Klepsch, to his credit, expressed himself correctly, but the same cannot be said of Mr Bangemann, whose provocations we reject.

*(Applause from the Communist and Allies Group)*

As regards the gentleman's agreement, we would point out that the Communist Group has always behaved correctly towards the actions and decisions taken, even when other groups have repeatedly ignored the decisions taken by the Bureau. The reason we felt obliged to table this request, alongside the request made by other groups, is that we wanted to force Parliament to express its views in the light of exceptional circumstances.

**President.** — I call Mr Coppieters.

**Mr Coppieters.** — *(NL)* Mr President, after pointing out once again that in the last vote you failed to observe the Rules of Procedure, I should now like to try to end the quarrel among the Members, some of whom give me the impression that they do not wish to make a clear pronouncement on urgent procedure. That is surely what it is all about. We give our unqualified support to any request to deal with the question of missiles by urgent procedure.

Mr President, just now you rebuked Mr Capanna for speaking on the subject of the motion. But you allowed another Member to describe Mr Capanna's statements as a lot of hypocritical nonsense, after which he also went on to speak on the subject matter of the resolution.

Ladies and gentlemen, urgency is called for not only because of the NATO meeting being held today but also because of the fact that, through the manufacture and stationing of American missiles in Western Europe, the situation of Western Europe itself is completely changed, not only *vis-à-vis* Eastern Europe but also *vis-à-vis* the Third World. And you must not say that this is an underhand way of dealing with defence policy; this Parliament is the Parliament of Western Europe, which is greatly affected politically, economically and socially by this impending decision.

## Coppieters

If that is not sufficient reason for a request for urgent procedure, then I wonder what the pressing reason was for other requests for urgent procedure tabled by other groups on such things as hurricanes and pistol shots.

This is an urgent matter, and we therefore hope that we shall shortly be able to discuss it, otherwise our contacts with the NATO Council or with anyone else will come too late.

**President.** — I put the request to the vote.

The request is rejected.

The motion for a resolution is referred to the committee responsible. I call Mr Rogers to make a personal statement.

**Mr Rogers.** — Mr President, I will be brief. Mr Klepsch, Mr Bangemann and Mr Balfour questioned my right to speak, citing in particular my office as Vice-President. I would simply like you, Mr President, to rule that I was perfectly entitled to speak under Rule 14, and this is how I did speak. Rule 14 (2) says that where a request for urgent debate relates to the placing of a report on the agenda, you should have one speaker in favour — I think that was Mr Pajetta — and one against. If you check with your secretariat, I think you will find that I registered that I would like to be the person to speak against. The Rule then goes on to say that the chairman or rapporteur of the committee responsible can also speak, and in the second subparagraph of paragraph 2, it says that in all other cases the spokesmen of the political groups may also be heard. In fact, I was speaking purely in the capacity of the person who was against urgent debate and was not representing my political group. I do believe that Mr Klepsch, Mr Bangemann and Mr Balfour ought to respect the fact that there are people in this House who may not be constrained entirely by their political groups. I hope you will rule that I was in fact perfectly in order and that your secretariat will confirm that I did ask to speak against urgent debate.

### 5. ECSC levies and operational budget for 1980

**President.** — The next item is the report (Doc. 1-531/79) — (Doc. 1-582/79) drawn up by Mrs Hoff on behalf of the Committee on Budgets on

the fixing of the ECSC levies and the drawing up of the operational budget of the ECSC for 1980.

I call Mrs Hoff.

**Mrs Hoff, rapporteur.** — (D) Mr President, ladies and gentlemen, I have the honour, on behalf of the Committee on Budgets, to present our report on the fixing of the ECSC levies or the operational budget of the European Coal and Steel Community for 1980. Parliament's part in the budgetary process we have

had for a number of years now is purely consultative. This year the whole thing has taken is under quite exceptional circumstances, because it was only on 16 November — in other words, less than a month ago — that the Commission's basic document on the ECSC budget was transmitted to the committees responsible. The other committees whose opinions are required — in this case the Committee on Energy and Research and the Committee on Social Affairs and Employment — did not receive the document until the end of November. The fact that this document was submitted to us by the Commission at such short notice is bound to arouse suspicions, but I shall not go into that this morning.

The ECSC budget consists of two sections: the operational budget proper, which we are discussing this morning, and the investment budget, which is financed from loans. It is encouraging to see that the investment budget is growing, but we must at the same time make the point that the ECSC's capital market policy — which has a pronounced multiplier effect — is entirely outside the control of this house. The relatively slim operational budget, on the other hand, does come under Parliamentary control, although in this field we do not have the genuine budgetary powers provided for in Article 203 of the EEC Treaty. As far as budgetary matters are concerned, therefore, the ECSC Treaty is markedly less progressive.

The economic background to the 1980 operational budget is that the Commission assumes this year's oil price increases and the effects of the crisis in Iran will continue to have an adverse effect on the employment situation, undertakings' readiness to invest will tend to diminish in these circumstances and consumer price rises will accelerate once more. Against this background, the Commission has postulated an unemployment rate of 5.5% and an increase in consumer prices of 9%. As economic growth in 1980 will probably be less than the estimated 3.1%, the final forecasts could well be considerably gloomier.

The situation is different in the coalmining sector, as the rapidly rising price of oil is of course improving the prospects here.

As a result, the amount of coal mined in the Community in 1980 is expected once again to reach a total of some 240 million tonnes. The decline in the amount of coal mined in France and Belgium is expected to be compensated for by a further increase in British and German output. At the same time, the programmes for shutting down unprofitable pits will be continued, and this will of course result in a reduction in productive capacity, amounting to some 2.5 million tonnes, 60% of which will be accounted for by closures in France alone. These figures show how

**Hoff**

much political dynamite there is in these proposed pit closures. The headlong tumble of the iron and steel industry also seems to have been stopped. Total production in 1979 will probably amount to some 140 million tonnes, and roughly the same level of production is anticipated for 1980. This encouraging trend should not, however, make us lose sight of the fact that productive capacity is still badly under-used.

The Commission's basic document of 16 November discloses that the financing requirement for 1980 is 277 million EUA, as against ordinary income of some 140 million EUA. A number of cuts will reduce this financing requirement to 188 million EUA, but even then we are left with a deficit of some 43 million EUA. In other words, in its document of 16 November, the Commission presented the Committee on Budgets with an unbalanced budget for the document does not contain any proposals for covering the deficit. Instead, the Commission skirts the problem by saying that it will shortly be presenting the interested parties with proposals for ways of making available special funds.

At the present time, the question remains firstly of where the cuts were made to bring the total requirement down from 277 to 188 million EUA. That is something we should have been interested to learn. Secondly, there is still the all-important question of how the Commission proposes to cover the deficit and when those proposals will be submitted. Consulting Parliament and its committees on what I would call a phantom budget — or at least an unbalanced budget — is just not on, and never has been.

Ladies and gentlemen, it was not until 27 November that the Commission produced a supplementary document which — and I have made sure of this point — has not yet officially been received by the European Parliament. I suspect that this document is totally unknown to most Members of this House, or that they have seen it only in the last few days. Briefly, what the document says is that the deficit will be financed, in accordance with the Treaty of Paris, from the levy. The revenue side of the balance sheet will be improved this year by increasing the levy to 0.31 % and reabsorbing reserves previously constituted from the levy which have now ceased to have any justification. The deficit on interest subsidies for loans granted outside the ECSC sector for reconversion projects aimed at creating jobs for former ECSC workers will be covered by a special *ad hoc* contribution. The Commission wants this contribution to consist of a transfer of funds to the tune of 43 million EUA — you will recall that I mentioned the figure of 43 million EUA as the budget deficit — from the general budget to the ECSC budget.

So much for the content of this supplementary document; I shall be commenting on the Commission's

proposal in a moment. First of all, however, I must repeat — so as to leave no doubts on this score — that the full draft of the ECSC operational budget for 1980 was only officially communicated to this House a few days ago.

The Committee on Economic and Monetary Affairs managed to deal with the supplementary document at a joint meeting; the Committee on Energy and Research did not have time for a meeting, and the Committee on Budgets only received the document in two languages.

It is claimed in the document that the ECSC Consultative Committee's opinion was taken into account, although I suspect that the normal consultative procedure was not followed in this case. In view of the time factor and the procedure followed, we must ask ourselves whether the Commission really thinks it can consult the directly elected European Parliament in such unseemly haste? Does the Commission really believe that this pressure — which is entirely of its own making — can possibly allow for a phase of consultation which does justice to a coal and steel industry which is still very much in a state of crisis?

Moving on to the proposal itself, the Committee on Budgets has instructed me to recommend to the House an increase in the levy from 0.29 % to 0.31 %, as proposed by the Commission. That was the decision taken by the Committee on Budgets. The income from the levy is an essential element on the revenue side of the operational budget. The levy can be raised without requiring the Council's approval ...

**President.** — Since you have exceeded the rapporteur's speaking time of ten minutes, I would ask you to be brief and conclude your remarks.

**Mrs Hoff, rapporteur.** — (D) ... I shall try to be brief. As I was saying, the Committee recommends that the levy be increased. It is clear, however that the deficit cannot be covered completely from the levy, otherwise it would have to be increased to 0.47 %. For years past, it has been frozen at 0.29 % — and quite rightly, because an industry which is deep in crisis cannot possibly drag itself out of the mire by its own boot straps. The planned increase is to be recommended in particular because it is an insignificant amount, compared with the sector's annual turnover of something like 40 thousand million units of account. Such a small rise can be tolerated quite easily by an industry which enjoys Community support measures of something like 1 000 million EUA a year.

The employers' associations would therefore be ill-advised to make representations to Parliament and overdramatize the situation. It is a matter for regret that such steps have in fact been taken by British and German industrialists.

**Hoff**

Even after the increase in the levy, we are still left with a deficit of 43 million units of account on the revenue side, and here the Commission is planning to introduce a special item into the Community budget to allow for the transfer of these 43 million units of account.

We welcome the fact that the Commission has now come to the conclusion in its supplementary document that a transfer of funds from the Community budget to the ECSC budget is legally in order. We had heard that the Commission was against such a move. So, coming after all the recent years' equivocating, this is quite a step forward. The Commission says in its supplementary document that its proposal with respect to the 1980 budget year is for the Council and Parliament — in other words, the budgetary authority — to give their approval in principle before the end of this year to a transfer of funds from the general budget to the ECSC operational budget by means of a supplementary budget to be adopted during the 1980 budget year.

I should like here to make it quite clear that this transfer of funds has nothing whatever to do with the possible transfer of funds from Chapter 54 for new social measures. This much has been confirmed explicitly by the Commission in reply to a question from the Committee on Budgets.

The present situation with regard to the Commission's proposal to cover the deficit in the operational budget by transferring funds from the general Community budget is as follows. The Committee on Budgets decided at its meeting on 28 November to recommend that Parliament should reject the budget for 1980. It would obviously have been illogical at that time to have voted in favour of making the necessary funds available at the same time as preparing to reject the budget as a whole.

Above all, we cannot possibly go along with the Commission's request for Parliament to commit itself in 1979 to a supplementary budget for 1980 which has not yet been submitted. That would amount to an abuse of the supplementary budget procedure. Such budgets are only admissible if an unforeseen situation arises in the course of the budget year. We should not make the mistake of entering into a commitment today which leaves us with our hands tied in this respect. A better approach would be for both arms of the budgetary authority to agree to enter the requisite 43 million units of account in the normal budget.

In conclusion, I would ask the Commission to appreciate that this House cannot enter into any commitment now as regards a future supplementary budget.

There is one final point I must deal with, and that is the matter of a legislative decision for the transfer of funds under the terms of Article 235. The Committee on Budgets considers a legislative act to be superfluous in this case. Simple budgetary decisions are quite sufficient.

Ladies and gentlemen, we should give some thought to how the ECSC budget is to be financed in the future. I should like to put forward a long-standing demand of the European Parliament, this time somewhat more forcefully. The Community customs duties levied on ECSC products must in future feature as own resources on the revenue side of the ECSC budget. This is not the case at present, and it would probably take amendments to the Treaty to make it possible. I fail to see why this oldest sector of Community activity should be so far behind as far as own resources are concerned. That is why, in paragraph 3 of the Committee on Budgets' motion for a resolution, which you have before you, I have pointed quite clearly to the need for this, and we now expect the Commission at long last to put forward specific proposals.

Finally, all I would ask you to do today is to take note of this interim report and accept an increase in the ECSC levy from 0.29 to 0.31 %. Secondly, the rest of Community revenue in the ECSC sector should in future come from customs duties, and thirdly and finally, the problems in connection with the transfer of funds for 1980 will be tackled once again when we come to discuss the general budget for 1980.

*(Applause)*

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

**Mr Konrad Schön.** — *(D)* Mr President, ladies and gentlemen, I shall try to be brief and just make a few comments, beginning with the procedure that has been followed here, which is somewhat odd in terms of both form and content. The basic document of 30 October, featured an unchanged levy of 0.29 %. It was only at a later stage — during the parliamentary procedure, to be precise — that it was decided to increase the levy to 0.31 %, which resulted in the curious and confused situation whereby so important a committee as the Committee on Energy and Research has still not discussed the matter and has therefore been unable to deliver an opinion. In this respect, I would go along with the criticism voiced by the rapporteur.

But it is quite another thing for the Committee on Social Affairs and Employment, of all people, to have pronounced itself against any reduction, while at the

## Schön

same time refusing — for what are undoubtedly well-founded reasons of social policy — to agree to any increase in the levy payable by a crisis-stricken industry which is still in the throes of major structural changes.

Moving on to the real point at issue, the Commission says that the increase is minimal in relation to the turnover of the European coal and steel industry. I must categorically refute any attempt to take turnover as a point of reference. The important thing here is not turnover; everyone knows what the real situation is, particularly in the steel industry. What is the point of crisis and structural reorganization, what is the point of new social measures if we can simply say that an additional burden on this industry in the form of special tax — and that, after all, is what this levy amounts to — is negligible because it is related to turnover? I do not think too much of this approach, Mr Davignon.

I must emphasize once again that what we are talking about here is a special tax which is being applied exclusively to coal and steel. That is what the Treaty provides for, and that being so, we have to ask ourselves whether an increase in this special tax is really appropriate at the present time in view of the critical situation of these industries, even if we did come to the conclusion in the Committee on Budgets after a long discussion — which unfortunately could not be pursued thoroughly enough because of delays — that we could agree to an increase in the levy. There is one point I must make, though. The consultation procedure involving this House in indeed comparatively restricted in the case of the ECSC; nevertheless, purely for the sake of information, it would be interesting to have full details of the revenue side of the ECSC budget. It would be interesting to know what amounts are placed in reserve and what is the situation as regards interest policy and interest earnings. To put it in a nutshell, we should at some time have a free and open discussion about the ECSC's real sources of income, to give us a little more clarity as to the precise financial position of the European Coal and Steel Community. My Group thinks, however, that we should go along with the committee's recommendations.

**President.** — I call Mr Damette.

**Mr Damette.** — (*F*) Ladies and gentlemen, the ECSC budget for 1980 presents us with a number of problems, the first of which is the fact that expenditure is to increase by 60 million EUA simply because of the rise in interest subsidies. What this really means is subsidies granted primarily to the big corporations and monopoly undertakings in the steel industry to enable them to carry out 'restructuring', as

the current phraseology has it. I do not intend at this point to talk about all the social damage caused by this 'restructuring' programme; I would simply point out that, in 1979, production of steel in the Federal Republic of Germany increased by 8.4%, compared with a fall of 0.6% in France. The Member of the Commission will probably reply that this is purely coincidental, but I see it as the result of a definite policy, a European policy centred on the Benelux cartel, while the French steel industry, with the connivance of its own management, is left to bear the real cost.

The second problem concerns the proposals for balancing the budget. In fact, what is being proposed is a ceiling on the contributions from industry with increased reliance on customs duties. Here again, the Community's powers are being extended to the detriment of French interests.

The policy pursued jointly by the ECSC and the French Government will in fact lead to a continued decline in the production of steel and coal in France. Clearly, these customs levies will affect first and foremost the French consumers, who will thus be required to subsidize the big corporations and in particular the Benelux group which the Commission is so fond of.

The third problem is the most important by far — that of coal production. In the course of the debate we had here in September — on 26 September, to be precise — it was already clear to me that the Community's alleged coal policy was in fact not directed at all at developing coal production, but simply at reserving the continental European market for companies in the Federal Republic of Germany. The documents we have before us today are clear confirmation of this. Firstly, Community production is stagnant at 240 million tonnes, and the Commission's view of internal trends is summed up in its *aide-mémoire*, which says that total production of coal in the Community in 1980 will probably once again be in the region of 240 million tonnes, with slight readjustments between the Member States. Production losses of the order of 3.5 to 4.5% in France and Belgium are expected to be balanced out by increased production of the order of 0.8% in the United Kingdom and the Federal Republic of Germany. Secondly, the French Government and the ECSC intend to maintain their joint policy of reduced production and pit closures in France. The same *aide-mémoire* goes on to say that the programme of closing unprofitable pits will continue and will probably affect some 2.5 million tonnes of productive capacity, some 60% of this being in France. These figures show what socio-political dynamite is involved in these pit closures, as Mrs Hoff so rightly said just now on behalf of the Committee on Budgets.

**Damette**

You were quite right to call it political dynamite, Mrs Hoff. The French workers know how absurd and ridiculous it is to try to justify these closures by claiming that the pits are unprofitable. In 1979, you closed the Bruay Number 6 pit although there are still 400 million tonnes of mineable coal in the western sector of the Nord-Pas-de-Calais coalfield. In 1980, you mean to close the Sabatier pit, although there are still 8.5 million tonnes which are readily mineable without the need for any special investment. It will then be the turn of the Barois pit, with 15 million tonnes of readily mineable coal. This policy is economic and social nonsense; it is an idiotic policy which amounts to vandalizing the subterranean riches of France. Here we are talking about the need for coal while at the same time effectively planning to liquidate the French coalmines. Investment in the coal industry in France in 1979 is down 15% at current prices, which means a fall of more than 20% in real terms. This is clearly the result of the complicity of the Commission and the French Government. Their policy is set out for all to see in the Commission's *aide-mémoire*, which says that if there were satisfactory market outlets, the German coal industry could further increase its production and thus boost Community production as a whole. This was precisely the point made by the Chairman of the Committee on Energy and Research in her letter of 27 November 1979, in which she said: 'Community production might increase if satisfactory outlets are found for German coal'.

Gentlemen, your policy — and this is addressed specifically to the Commission — is not so much a policy for developing European coal production, as a policy for developing market outlets for coal from the Federal Republic of Germany, the logical consequence of which is the liquidation of the French coalmines.

I need hardly say that we shall be voting against these proposals and that we shall unite with the regions and the workers concerned in France to devote all our efforts towards frustrating this policy of liquidation.

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

**Mr Ansquer.** — (F) Mr President, ladies and gentlemen, I should like to begin by congratulating Mrs Hoff on behalf of my Group for her excellent report and explanatory statement.

I just have a few remarks to make. As in the two previous years, the ECSC operational budget for 1980 poses a problem of balance between revenue and expenditure. The budget amounts to a total of 211 million units of account, and the deficit is of the order of 70 million units of account. Once again, therefore, we are faced with a two-fold difficulty. On the one

hand, we must avoid raising the ECSC levy to such an extent that it becomes a real burden for the Community's steel industries, while on the other hand we have to cover the deficit of a budget which is in fact very modest in view of the critical economic situation. The stagnation of available resources in budgetary terms and the inroads made into them in real terms by inflation — at the very time when this sector requires more sustained assistance — make it essential for us to find lasting solutions to the outstanding problems.

There is a basic contradiction between the financing requirements of the coal and steel industries and the relatively modest appropriations in the operational budget. To bridge the gap, rather than allocating to the ECSC the customs duties on coal and steel products, the Commission proposes three complementary solutions: raising the ECSC levy by two points from 0.29 to 0.31%; transferring appropriations from Chapter 54 of the general budget to the ECSC budget and getting the Member States to make special contributions to cover the remaining deficit. The proposed increase in the ECSC levy would bring in an additional 7 to 8 million units of account and seems to be acceptable to the Community's industries. As our rapporteur pointed out, transferring funds from the general budget to the ECSC budget would also be acceptable, provided the purpose of these funds remains unchanged. Even so, the deficit remains large, and there is no alternative to bridging the gap by means of contribution from the Member States, which was the solution adopted for the 1978 and 1979 budgets.

The Group of European Progressive Democrats therefore approves the general outlines of Mrs Hoff's report, with certain reservations as regards paragraph 4. Although there seems to be no alternative to calling this year again for national contributions, the idea of placing these contributions in the framework of the proposal for financial equalization adopted by this House on 15 November seems to be totally unrealistic because I am sorry to have to tell Mrs Hoff that this proposal has no chance whatsoever of being accepted, given the present state of affairs. It would amount to a zero contribution, and I do not think that is what this House wants to see.

Let me move on now to deal with the question of the European Parliament's supervisory powers over the ECSC investment budget. For a long time now, this House has been asking for supervisory powers over the ECSC investment budget — whose effectiveness, incidentally, we do not dispute. The fact is that the budgetary authority has no say in determining price policy, nor in determining the overall annual volume of loans. As a result, the Commission handles a substantial amount of money underwritten by public

**Ansquer**

funds and uses this money to pursue an industrial policy without any political control from the *a posteriori* control we exercise, which is clearly inadequate.

Let me conclude, Mr President, by addressing a question to the Commission: could the Commission inform us, in the course of this examination of the operational budget, of its intentions with regard to lending and borrowing? There can be no doubt, Mr President, ladies and gentlemen, that all our efforts must be directed towards strengthening the economic and social potential of our coal and steel industries, particularly in those places where the crisis is having a serious effect on whole regions and populations. Such is the case, unfortunately, in France. I should like to see this House use every means at its disposal to urge the Commission and the Council along this path.

**President.** — I call Mr Bonde.

**Mr Bonde.** — (DK) Mr President, the Danish people's movement cannot support the Hoff report which proposes that the funds necessary to cover the ECSC operational budget deficit should be provided out of the customs duties on coal and steel products collected by the Member States. Our experience with the so-called own resources has not been good. They tend to give supra national authorities power at the expense of the national parliaments. The Danish constitution contains a provision to the effect that expenditure must always be covered by a relevant law. Such a law would have to be thoroughly debated three times before it could be adopted. This guarantees, at least in principle, that the tax payers know what the taxes they pay are used for, which is essential in a healthy democracy. We have no intention of weakening this democratic control by extending own resources. In addition, there is the fact that a country such as my own would suffer unnecessarily if it were to transfer its customs duties in this way. Denmark is poor in raw materials. Broadly speaking, all our raw materials are in our heads. We have no coal and our steel production is limited to the reprocessing of scrap.

For this reason, before we joined the Community we organized our economy in such a way that raw materials would not become more expensive as a result of customs duties on import into Denmark. We wanted to enable our undertakings to obtain raw materials at low prices in order to make them competitive, since they would otherwise have found it difficult to compete with undertakings from countries flowing with coal and steel. This situation was changed to a certain extent as a result of the accession to the Community. It cost Danish undertakings hundreds of millions of kroner to join the common steel policy which brought with it a massive export of jobs to other countries which, from the point of view of raw materials, are better off than Denmark.

The Danish Ministry of Foreign Affairs has informed me that the implementation of the proposal contained in the Hoff report to the effect that customs duties on coal and steel should be transferred as own resources will cost Danish tax payers Dkr 10.6 million at least on the basis of the last twelve months. The fact that selling out on the principle of national independence also costs money does not make the matter any more difficult for us who stick by our principles. For this reason, we will reject the proposal by Mrs Hoff.

**President.** — I call Mr Leonardi.

**Mr Leonardi.** — (I) Mr President, I should like to remind the members of this House that we have always been in favour of increasing the own resources of the Community and in particular those of the ECSC. We have always been critical of the fact that the ECSC, though entitled to levy 1 % of Community VAT, has refrained from making use of this right and for years only levied approximately one third of 1 %. For this reason we are predisposed to support Mrs Hoff's proposals because we are very well aware that being a member of this Community means enjoying advantages and putting up with disadvantages. Of course, we do not make calculations to find out how much an increase of 2 % is going to cost the Italian tax payers; we also take into consideration the fact that we are paying higher prices, for example, in order to be able to eat Danish butter. This is the kind of calculation one has to make if one wants to be part of a community.

Consequently I shall repeat that we are fundamentally in favour of Mrs Hoff's proposals. I should only like to remind you, however, that this does not in any way necessarily mean that we look favourably on the policies which have been pursued so far by the ECSC. For years the ECSC had powers which the Community as a whole did not have — and for this reason it was considered the model European Community: these powers consisted of the own resources, the freedom to determine its own targets in the steel sector, to intervene in coal research, and to intervene in the social sphere. We should now like to know what use the ECSC made of these powers — and we have also asked this very same question in past years. We find ourselves in a crisis which the ECSC did not foresee, nor did it do anything to avert it in time, or even to alleviate it. It refrained from making use of its right to levy far more significant own resources than those that it was levying and therefore, in our opinion, it did not pursue the policy of active intervention that it should have pursued.

This is our fundamental criticism. In spite of this, however, we still cannot bring ourselves to oppose an increase in the own resources, which in the last analysis ought to be put under the direct control of Parliament. There is a need to intervene actively in

**Leonardi**

order to attempt to restore the health of these ailing industries, whose difficulties, in our opinion cannot be solved merely at the national level. For this reason we are in favour of a Community policy in the field of coal and steel; we ask that this policy should be reinforced and placed under greater parliamentary control.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — In view of your injunction to Madam Hoff and to the other speakers to be brief, I will do my best to be concise. I hope therefore that the House will understand if I do not go into quite as much detail as is appropriate on this occasion, because although the ECSC budget does tend to be somewhat overshadowed by the main community budget, it is of course an independent entity in its own right. We believe that it does a very useful job of work, and we believe that it should be treated with the maximum degree of seriousness. Indeed, it is perhaps worth recalling for those members of the House who are not familiar with the procedure for the second budget, that the procedure for deciding the annual rate of the levy on coal and steel products in the associated operational budget is really extremely simple compared with that of the main Community budget. Indeed, under the Paris Treaty of 1951 the Commission has complete power to decide these matters in its capacity as High Authority, though we are of course mindful of the line of argument employed by Mr Ansquer in his speech. That is why we have in practice for many years sought, and indeed followed, the opinion of Parliament with regard to the content of the annual decision. It is for that reason, of course, that in late October we send Parliament, normally, a detailed document outlining our expenditure plans and our expected income, and proposing a levy rate for the ensuing year. In the light then of the opinions expressed by Parliament in the resolution, a draft of which is now before the House, we take our own decisions. So I think it is fair to say that the Commission itself has sought a greater degree of parliamentary involvement and has gone out of its way to incorporate the opinion of Parliament in the decision-making process, and that is of course as it should be.

This year the Commission found it necessary to take two bites at the cherry, and our firm detailed proposals for balancing the 1980 budget, which Viscount Dalvignon — who is of course the Commissioner responsible for industry, including steel — and myself, had the honour of explaining to the Committee on Budgets last month, were delayed so that we could complete certain contacts, notably with the industry, in the Coal and Steel Community's Consultative Committee. These proposals, which result from our own work and study and from the consultations which we have had, are spelled out in a

supplementary document and involve two main points, as the House knows: the levy, and the transfer from the general budget to the ECSC budget.

Let me deal with the levy first. The proposal is to raise the levy to 0.31%. Obviously, a proposal to raise the levy can hardly be greeted as good news, and I can quite understand some of the feelings which underlie the points Mr Schön made in his speech. But I think it is important to point out that since the Davignon plan came into operation the steel industry's cash flow has increased by some thousand million European units of account. What we are talking about is a levy increase of 0.02%, which is 7.5 million European units of account. So I think it is important to keep these figures in perspective. Though we certainly agonized over the decision for some time, we believe that it is justified. The impact on the industry is really very small, some 0.02% of turnover, and not such as to create any real difficulty. I hope that the House will see the increase in this light.

The second point relates to the financing of interest-free grants for industrial redevelopment designed to create jobs for ECSC workers rendered redundant through reorganization, particularly in the steel industry. We propose that this expenditure, i.e. 43 m EUA, should be financed by a transfer from the 1980 general budget. To avoid any interruption in the flow of funds for this vital purpose, we have asked the budget authority, that is of course the Council and Parliament, to indicate before the end of the present year that they accept the principle of this transfer. The matter will come up at the Council on 18 December, and we believe that the time for Parliament to express its views is in the resolution, the draft of which is now before the the House. The Commission considers it absolutely vital to the success of its proposal that Parliament should feel able, as I strongly recommend, to incorporate in the proposed resolution an expression of support for this transfer. As everybody is aware, decisions have to be taken by the end of the year. The Council will have a chance to do so before the end of the year, Parliament has a chance to do so now, beforehand in fact, and when the Commission comes to take its decision in order that its budget should balance, I hope very much that we can have positive opinions from both arms of the budget authority.

I listened with very great care to the speech which Mrs Hoff made and in particular to her remarks about the desirability of obtaining extra resources from the transfer to the Coal and Steel Community of customs duty revenue on the relevant products. This is an idea with which we fully concur. Indeed, Viscount Davignon and I have had some experience of going before the Council of Ministers and arguing here. We continue to believe that it certainly would be desirable for the customs duties on these products to be transferred to the CSC budget.

**Tugendhat**

Unfortunately, however, the transfer which the Commission proposed is not at the moment practical politics. That does not mean to say that it ceases to be a good idea; it does not mean that it ceases to be something we should like. But if we are to fulfil not just our obligations under the ECSC budget, but also the plans and proposals we believe are necessary — indeed perhaps the very least that is necessary — then we do need to seek an alternative source of revenue, a source of revenue that is, we believe, more immediately available than the one we have argued for before, and to which Mrs Hoff gave her support during the course of this debate. That is why we have brought forward this proposal. The only immediately possible alternative, I think, to the idea we have suggested would be for the Member States to provide a donation. This is something which we have already tried — Mr Ansquer referred to this — in previous years. But it has not proved very satisfactory. Indeed, it has proved fraught with difficulties. It has never yielded as much as we would like, and we believe that in the circumstances the proposal we have put forward is by far the best and most practical.

In his speech Mr Ansquer drew attention to the very modest size of the ECSC budget in relation to the work it is required to do. I certainly agree with him that it is very modest. The measures to put it into effect are really very small in comparison, not just with the magnitude of the general budget, but also with the magnitude of the problems facing the coal and steel industries. These are problems which, in the discussion of different proposals in another context, have been very much to the fore in our thinking, and are, I know, very much to the fore in Parliament's thinking. The financial aid involved in support of the Community's research programmes, the marketing of Community coke and coal, and particularly the subsidizing of resettlement schemes for coal and steel workers and investment for industrial restructuring and, above all, for the creation of replacement jobs for redundant workers, is of vital concern for the future well-being of the Coal and Steel Community and of the industries and workers it embraces. I therefore recommend Parliament to endorse the proposed budget and in particular the levy rate proposal of 0.31 % and the option of financing job creation subsidies by a transfer of 43 million EUA from the general budget. I hope very much that Parliament will be able to give us the support which will enable us to continue the absolutely vital work on which we are engaged.

IN THE CHAIR : MRS VEIL

*President*

**President.** — The debate is closed. The vote will be taken tomorrow.

*6. Statements by the Council and Commission on the European Council — Statement by the Council on the Irish presidency*

**President.** — The next item is the statements by the Council and the Commission on the meeting of the European Council in Dublin, and the statement by the President-in-Office of the Council on the six months of the Irish presidency.

Before asking the President of the Commission to speak, I should like to welcome the President-in-Office of the Council, Mr Lenihan, and to congratulate him personally, and on behalf of Parliament as a whole, his appointment as Foreign Minister.

I am sure you are all aware that Mr Lenihan is a former Member of this Parliament, where he belonged to the Group of European Progressive Democrats. He is thus well acquainted with Parliament, and we wish him every success.

*(Applause)*

I call Mr Jenkins.

**Mr Jenkins, President of the Commission.** — Madam President, it is unusual for the President of the Commission to precede the President-in-Office of the Council in reporting on the results of the European Council, but I readily do so on this occasion in view of the recent arrival, within the past hour or so, of Mr Lenihan in Strasbourg and his almost equally recent arrival in his new office. I join with you, Madam President, in congratulating him on his accession to it. He is, as you rightly say, no stranger to this Chamber, no stranger to Strasbourg, no stranger to the Community, and I look forward to working with him in the closest collaboration, as I had the pleasure of doing with his predecessor, and indeed with the former Taoiseach, Mr Lynch, who presided over the European Council.

We shall not, however, seek to anticipate his speech, nor shall I change the way in which I comment on the European Council from the Commission's point of view. I do not believe there is any point in a long time-consuming repetition of the conclusions. They are published, they are available, and no doubt they are imprinted on the minds of all honourable Members to the extent that they deserve. I prefer to give a briefer commentary on the Council as I see it.

It was clear ever since the Strasbourg European Council in June that the meeting in Dublin would be an exceptionally difficult one. It was, indeed, perhaps the most intractable meeting of the nine I have attended. A complete settlement of the problems on the agenda was never, in my view, a likely possibility.

## Jenkins

Complete deadlock was more likely, and we did, indeed come nearer to this, at one stage at any rate, than to full success. I think, however, that we finished rather better than we began. We may not have reached solutions, but at least we avoided a deadlock, and we opened up some windows towards finding solutions in the future.

Dublin was inevitably dominated by one central subject — the discussion on convergence and budgetary questions occupied the centre of the stage almost throughout. This House was given copies of the essential documents of the case as they came out — the Commission's reference paper of 12 September, the Commission's options paper of 31 October and the Commission's proposals of 21 November. You have yourselves debated the issues brought out in these papers and passed an important resolution upon them. Thus this House has played a substantial role in the debate, perhaps so far an even more constructive role than the European Council itself, and the Commission greatly values its contribution.

I think it fair to say that all the participants at the European Council were ready to accept the Commission's proposals as a framework within which an overall solution might be reached. This remains the case; before the European Council the Commission's ideas were simply proposals. Now they have become the starting point and foundation for any possible solution. The European Council endorsed the thesis of the Commission that the short-term British problem must be considered against the background of the vital need, in the interests of the Community as a whole, for a better balance of Community policies in the medium-term, necessarily involving a shift in the balance of expenditure within the Community budget. Only this make sense of a short-term, temporary solution. Otherwise we would be back where we started when the temporary measures ran out. Thus, in the Dublin conclusions, the European Council reaffirmed that Community policies can and must play a supporting role within the framework of increased solidarity, and that 'steps must be taken to strengthen the economic potential of the less prosperous members of the Community'. They have further declared the need, 'particularly with a view to enlargement of the Community and necessary provisions for Mediterranean agriculture, to strengthen Community action in the structural field'. The Commission will work with enthusiasm to give effect to these important principles.

On the British budgetary problem, the European Council agreed that the Commission's proposals concerning the adaptation of the financial mechanism could constitute a useful basis for a solution. In addition the Commission was asked, and again I quote, 'to pursue the examination of proposals for developing supplementary Community measures within the

United Kingdom which will contribute to greater economic convergence and which will also lead to a greater participation by the United Kingdom in Community expenditure.' That is taken from the conclusions. The Commission in consequence is urgently re-examining the range of Community policies as they affect the United Kingdom to see what proposals can be made for supplementing them through a number of special measures. In this process the Commission will of course maintain the normal procedures of consultation with this House. Honourable Members will be fully aware that the incoming Italian President-in-Office of the Council has accepted the responsibility of convening the European Council as soon as he believes that the conditions for such an earlier meeting may be fulfilled. This is a heavy responsibility. According to the present calendar the next European Council will not take place until the last days of March. If we are to have a European Council before then, we must in the meantime have made sufficient progress to justify expectations of a solution in an atmosphere of constructive compromise.

The Dublin European Council, Madam President, also tackled some other longer-term issues, though discussion was inevitably curtailed in the time available. I would, however, draw attention briefly to five points.

First, the European Council confirmed its intention to set up the European Monetary Fund within the timetable envisaged. In preparation for the next meeting of the European Council the Commission has been asked to report on the progress made in this field and the difficulties encountered. I have said before in this House that a European monetary system, while valuable in itself, is not in my view an end in itself, but a platform upon which we can and should erect further policies designed to bring more closely together the economic and monetary policies of Member States so as to move forward towards full monetary union. The momentum achieved in 1979 must not be allowed to slacken. The Commission will be glad to press forward with the necessary work in this field.

One small further point here: the sooner, I believe, we establish the ECU as our standard and single unit of account, the better for the Community. And we have made a little progress in that direction in the last day or so.

Second, the European Council stressed I must say not for the first time its great concern about the current level of unemployment in the Community. It was agreed that a more coordinated approach to the problem should be defined. The Commission was invited to submit proposals on specific measures which could be, as the conclusion said, 'framed to promote more incisive Community action to deal with the unemployment problem'. In dealing with this problem it is a little easier to ask for solutions

## Jenkins

than to provide them, but nonetheless the Commission will seek proposals on this intractable problem. They will, of course, be transmitted to this House, and I hope that there can be an early opportunity for this House to have a wideranging and, I hope, constructive debate on this crucial issue.

Third, the European Council had a brief discussion a little too brief unfortunately on the Commission's ideas on what I describe, in shorthand, as the telematic revolution — computers, telecommunications, micro-chips, data banks — a revolution which is increasingly affecting our daily lives and work. I have spoken to this House once or twice before on this issue. I noted on Monday evening that there were questions indicating that there is a fairly widespread realization of the importance of this issue for Europe's whole place in the industrial world in the debates to come. I repeat now that we regard the creation of a common Community strategy in this field as of vital importance to the future of our economies and to the place of Europe in the forefront of modern technology, or in the second or third rank, unless we react decisively here. The House will have seen the detailed proposals which we have put to the Council on this subject, and I hope too that this issue may be the subject of a major and important debate in this House in the not too distant future. It is vital to the future of Europe, and I believe that it is very important that this House should express its views on issues which are so vital to the future of our Community.

Fourth, the European Council reaffirmed and consolidated the energy policies agreed upon in Strasbourg in June. The Commission would like to have seen a major advance in the conclusions, and put forward proposals to this effect. The discussion, I should say, at the European Council was perhaps more encouraging and positive than the words of the conclusions, taken in themselves, suggest. I greatly welcome the subsequent decision of the Energy Ministers on national oil import targets for 1980. After quite a long period of almost complete blockage in the Energy Council we have at last started some decision-taking progress there. We will continue to press for further and more rapid progress towards the establishment of a common energy policy and I know that we can count upon the support of this House for this important end.

*(Applause)*

Last there was a discussion at the European Council of the serious problems facing the Community in the agricultural field. As the House well knows, the Ministers for Agriculture have been meeting over the past two days to consider among other things the proposals in the Commission's paper to the European Council. Although this point does not appear in the Dublin conclusions, the European Council did take

the useful decision that the Commission's paper should be sent for examination and discussion not only by the Agricultural Council but also by the Council of Ministers of Economics and Finance.

It is not altogether easy, Madam President, to draw conclusions about a meeting which in the end came to few conclusions itself. It is in the interests of us all that we should be determined to achieved more at the next European Council. In saying this, the Commission looks to Parliament for help and support. Our internal Community difficulties are largely ones of balance, of identity, and work on the basis of, areas of common interest. The Community cannot afford the luxury of locking itself for long into a family wrangle, however important, at a time when there are so many pressing and menacing problems bearing upon Europe from the world outside. It is indeed my view that it was an awareness of these world problems with which we were confronted that drew us back in Dublin from the brink of a breakdown. These menaces will certainly not disappear between now and the next Brussels meeting of the European Council, whether that be advanced or not. They underline the need that on occasion we achieve a more successful outcome than was possible in Dublin.

**President.** — I call Mr Lenihan.

**Mr Lenihan, *President-in-Office of the Council.*** — Madam President, ladies and gentlemen, first of all I would like to thank you, Madam President, for your very gracious welcome to me. I am very glad to be back in the club again, if in another capacity; I see many familiar and friendly faces around me, and I would like to say how glad I am, even at this short notice, to be here with many old colleagues.

My task here today is to report to the Parliament on the European Council held in Dublin and to review the progress achieved since the Irish Presidency commenced on 1 July. The principal item for discussion, and the one which aroused most interest at the Dublin meeting was, of course, as referred to by the President of the Commission, the question of convergence and the discussions on this item were the most difficult and the most protracted they had experienced at a European Council meeting. Indeed, as Mr Lynch has said, it proved impossible to reconcile the differing viewpoints, and a complete breakdown was only narrowly avoided; so, if you like, in that negative sense some success was achieved, and, as the President of the Commission has just said, some windows were opened towards future progress. The European Council reaffirmed the conclusion reached at Brussels and Paris on the need for action by the Member States and by Community policies to achieve a convergence of economic performances.

It further declared the need to strengthen Community action in the structural field, particularly with a view to

## Lenihan

enlargement and having regard to the necessary arrangements for Mediterranean agriculture.

The Council carried out thorough examination of the problem of the British contribution to the Community budget. This examination was long and difficult; the starting positions, as is well known, were far apart. This gap does not relate solely to the sums of money that were talked about, it extends also to the origin and nature of the problem, and how it might be resolved. I regret to have to report that at the end of the Council the parties were still, unfortunately, far apart. However, this might be too pessimistic a view. The formal positions remain far apart; but I think it is reasonable to say that a number of elements emerged in the discussions which will provide material for reflection by all parties. I am sure that these elements will contribute to an eventual solution, provided the problem is approached by all parties in a real spirit of compromise and having true regard to the Community perspective, which is all-important. I am convinced that it is only in a truly Community perspective that we can reach a satisfactory solution, or series of solutions, to this problem.

The Council agreed that the Commission's proposals concerning the adaptation of the financial mechanism constitute a useful basis for a solution which would respect Community achievement and solidarity. The Council also asked the Commission to continue work on proposals for developing supplementary Community measures within the United Kingdom, which would contribute to convergence and which would also lead to greater participation by the United Kingdom in Community expenditure.

The Council of Ministers was asked to look for a solution on the basis of proposals which the Commission is to make. It is envisaged that the next meeting of the European Council will have before it, as a result of this work, proposals for a solution on which it can reach decisions. The timing of this meeting will be decided by the incoming Presidency, in the light of its assessment early next year of whether the conditions for such a meeting have fulfilled. It would be regrettable, though understandable, particularly in the United Kingdom, if the failure to reach a definitive solution at Dublin were to result in undue pessimism about finding a solution in the not-too-distant future.

I share, on balance, the view of the President of the Commission that there is a degree of optimism subsisting, and that we can move forward, provided the political will is emphasized.

I wish to stress that there is acceptance of the fact that the United Kingdom has a problem, and that there is a willingness to seek a solution, despite, as I have said, what is frankly, a considerable gap between the United Kingdom, and the other Member States on the extent, origin and nature of the problem. The Parlia-

ment has held an exhaustive debate on this subject, and I need not go into detail on specific points. It is important, however, to recognize that any solution must leave the Community's own resources intact and respect the existing achievements of the Community.

When discussing economic convergence and the British budgetary problem, the European Council noted the need to reach Community solutions on the problems of fisheries, energy and the organization of the market in sheepmeat within the framework of the principles laid down in the Treaty. The Parliament is, I know, extremely concerned about the energy situation and about the lack of a common energy policy. The European Council discussed the world energy situation, which remains very serious. There was agreement on the need for the Community to develop a more effective energy policy. It is clear from the conclusions that there was great concern at the global effect and implications of the energy situation. The European Council renewed its commitment to develop the Community's indigenous energy resources, particularly coal, nuclear energy and hydrocarbons. This has particular importance in connection with the target set for the Community's net oil imports between 1980 and 1985.

The European Council recognized the need for cooperation between the industrialized, the oil-producing and the non-oil-producing developing countries. The seriousness of the energy situation for our social, political and financial institutions and structures cannot be underestimated. Specifically, the European Council asked the Council of Energy Ministers to take a final decision on national import objectives for 1980. The Energy Council agreed on these objectives at its meeting in Brussels on 4 December of this year.

Discussion on energy brings me logically to the economic and social situation, since the effects of increases in oil-prices on the Community economy were of major concern to the Heads of Government. They were concerned in particular that the objectives of maintaining growth and combating inflation agreed at the Bremen European Council had not been achieved in full, and discussions at the Dublin meeting centered around the following points: (1) the need for improved coordination of the economic and monetary policies of the Member States; (2) anti-inflation measures; (3) the necessity for a coordinated approach in tackling the balance-of-payments effects of new oil price increases (4) the dangers of compensating for the oil-producing nations by increases in monetary incomes which could only result in greater inflation and unemployment; and (5) the need for monetary policy to continue for the time being to support efforts to counter inflation.

The European Council confirmed its intention to set up the European Monetary Fund in accordance with the timetable envisaged, and invited the Commission

## Lenihan

to submit a report for its next meeting setting out the progress made in this field.

Following discussions of the serious unemployment problem in the Community, the European Council asked the Commission to submit proposals on specific measures which could be drawn up to deal with the problem in view of the need to define a more coordinated approach in this area. The Commission was asked to pursue its consultation with the social partners on the reorganization of working-time. The European Council also discussed problems connected with the operation of the Common Agricultural Policy on the basis of a Commission paper on the urgent need for a better equilibrium. It was clear that the emergence of imbalance in certain agricultural markets, coupled with inflation, has led to greatly increased expenditure on market support, and that therefore there is a necessity for measures to reduce structural surpluses, having regard to the situation in the Community budget and the better operation on the Common Agricultural Policy. The European Council invited the Council of Ministers, both in its agricultural and its economic and finance formations, to discuss the Commission's paper. Members of the Parliament will be aware of the important statement on this matter made by the Council of Agricultural Ministers last Monday.

The European Council took note of a Commission communication on telematics and invited the Council of Ministers to study a common strategy for the development of this important area of technology within the Community.

The reports of the Commission and the Foreign Ministers on European union were also considered by the Heads of Government. It was agreed to publish these reports, and I am transmitting copies to you, Madam President, and to the other Institutions and organs of the Community.

The Parliament will have a particular interest in the report of the Committee of Wise Men, which the European Council decided should be published. I have also transmitted a copy of this to you, Madam President, and to the Presidents of the other Community Institutions. The report contains a number of recommendations in relation to the European Council, the Council of Ministers and other Community Institutions. The report will now be examined by the Foreign Ministers in order to prepare the discussion at the next meeting of the European Council. I think I can say that the committee, which was mandated by the European Council in Brussels in

December 1978 to report on adaptations for the mechanisms and procedures of the Institutions, particularly in view of enlargement, has produced an interesting report and a set of very practical proposals.

In the political cooperation framework, the European Council discussed the situation in Iran and Cambodia. The statements have been published, and I shall refer to them later.

Madam President, I shall now review certain developments in the major areas since the beginning of the Irish Presidency's term of office on 1 July. I turn first to the Community's relations with third countries, and in that connection to our relations with the developing countries. In development cooperation, I am happy to be able to report progress: the signature of the second ACP-EEC Convention is a source of particular satisfaction. The new Convention retains all the major provisions of its predecessor, consolidates its achievements and includes a number of very significant new elements. It is my belief that, despite the present difficult economic climate, the new Convention clearly demonstrates the Community's commitment to extending its development cooperation policies and to affording very real and meaningful assistance to the ACP states.

At the first ministerial meeting between the Community and the ASEAN states in November of last year, we agreed to place relations between the two regions on a more formal footing. To this end, the Council in October agreed a mandate for the negotiation of a cooperation agreement. The negotiations have now taken place, and I look forward to the very early signature of the agreement. The Community views the ASEAN as an important regional grouping and a force for peace and stability in South-East Asia, and therefore attaches particular significance to the conclusions of this agreement.

In order to assist the revitalization of the EEC-Turkey Association agreement, Commission Vice-President Haferkamp and my predecessor visited Ankara in September. Views were exchanged with the Turkish authorities on what the revitalization process should entail, and the visit gave particular political impetus and direction to this revitalization process.

With regard to the Community's food aid to non-association developing countries, the Development Council also agreed on the programme for 1979 and the guidelines for the 1980 programme. In connection with the new food-aid convention, I am happy to say that on 29 November the Community agreed on an increase in cereals aid to the level of 1 610 000 tonnes.

**Lenihan**

The period of the Irish Presidency also saw the Community give its approval to the results of the Multinational Trade Negotiations. These negotiations, which were launched in 1973 under GATT auspices, were the most extensive and comprehensive of their kind ever undertaken, embracing 99 countries at widely different levels of development and economic systems. The negotiations were designed to bring about a reduction or elimination, not only of tariffs, but also of non-tariff barriers to trade. While the negotiations proper were concluded in Geneva last April with the initialling of the various agreements, the Community wished to satisfy itself that the agreements reached in Geneva were being fully reflected in the national legislation of the other participants before giving its formal approval to the results. At its meeting on 20 November this year, the Council, having received assurances from the Commission in this regard, formally approved the MTN package.

The Presidency was acutely aware that any undue tardiness on the part of the Community in ratifying the results of the MTN might well lead to an adverse perception by other participants of the will of the Community to conclude the negotiations, and might jeopardize the fruits of six years' labour. For these reasons, we regarded approval of the results of the MTN at the meeting of the Council of Ministers on 20 November as being most desirable. The Council's approval at that meeting was a timely demonstration to our partners that the Community is in a position to honour the obligations which it assumes on 1 January 1980. Any uncertainty in this regard would have been particularly embarrassing in view of the zeal with which the Community sought to ensure that these same partners took all necessary measures to provide for the honouring in full of their obligations.

The Irish Presidency was happy to play its part in preparing the conditions for, and presiding over, the approval by the Community of this package of measures, which, it is generally acknowledged, will play a major part in shaping multilateral trading relations right through the 1980s.

The Accession Treaty with Greece had already been signed before the Irish Presidency began, and the main task for us has been the management of the information and consultation procedure with Greece. Consultations have taken place at the request of Greece on a number of subjects, and the system has been working satisfactorily.

In the case of Portugal, accession negotiations were opened in October 1978, and there have been initial exchanges on questions concerning the customs union, external relations, ECSC and Euratom, transport, taxation, regional policy and capital movements. The policy areas of customs union, taxation, ECSC matters, external relations and transport have already been covered in the case of Spain, and some other

papers are in the course of preparation. A negotiating meeting at ministerial level is foreseen for 18 December, and it has been our concern to ensure that the negotiations with Spain and Portugal proceed at a satisfactory rhythm.

Insofar as the Mediterranean is concerned, the Community has had councils of cooperation at ministerial level with Israel, Tunisia, Morocco and Cyprus during the past six months.

Relations between the Community and the countries of Latin America are a matter which must inevitably assume increasing importance. During recent months, work has gone forward on devising a new structure and suggesting a content for the dialogue at ambassadorial level between the Community and the Latin-American countries which will embrace commercial and economic matters of interest to both sides.

Some progress has also been achieved over the past six months in the internal development of the Community. In the area of agriculture, a wide range of issues has been dealt with during this period, including proposals to establish three new common organizations of the market. The Commission proposal for a common organization of the market in sheepmeat has absorbed a considerable amount of time. Progress on the internal-market aspects of this important proposal has not been as rapid as we should have liked, but the areas of disagreement have been narrowed. With regard to the external-market aspects, progress has been achieved and the Council has given its agreement to the negotiations for voluntary restraint arrangements with non-member countries.

The European Council, as I mentioned in my report, recognized the importance of this issue and we are hopeful that this recognition will provide the necessary political will to reach a solution.

The Council has been examining for over a year a set of proposals involving a wide range of measures on both production and marketing aimed at establishing a balance in the market for wine, and there has been considerable discussion on this aspect. Broad agreement has just been achieved on the structure of part of the programme.

On fisheries policy, with which I was personally recently concerned, real progress now begins to seem possible. A high-level working-group was set up by the Fisheries Council on 29 October to try to find agreement on total allowable catches, conservation measures and certain control procedures for 1980. There are good prospects for agreement in this area. I say that advisedly, having personally presided at the last meeting, some days ago, of the Fisheries Council. There is a better political will pervading that Council than was evident heretofore. There are good prospects in particular on agreement before the end of January 1980 on total allowable catches for 1980 and on the system of recording and notifying catches. Indeed, the

## Lenihan

whole atmosphere in which the discussions took place at that Fisheries Council meeting on 3 December give real grounds for hopes, and I feel very strongly that before too long, before the end of next year, we shall have a definitive common policy for the management and conservation of Community fisheries resources.

In the social affairs area, the Council at its meeting on 22 November 1979 adopted a resolution on the reorganization of working-time. The resolution contains provisions on the limitation of systematic overtime working, on flexible retirement, part-time work, shift work and annual hours of work. In the environmental sector too, important conventions in the field of transboundary environmental cooperation have been concluded and have been signed by individual Member States and by the Presidency and Commission on behalf of the Community. The first is the Convention on the Conservation of Wild Life and Natural Habitats, drawn up by the Council of Europe; the second is the Convention on Long-Range Transport and Boundary Air Pollution, drawn up by the United Nations' Economic Commission for Europe.

The first Research and Development Council for four years was convened during the past six months, and agreement was reached on a programme for recycling urban and industrial waste and on the management and storage of radioactive waste.

I have already spoken about energy in the course of my report about the European Council. I would like, however, to look back at the work of the Presidency in this area over the last six months. The principal task of the Presidency has been to steer the implementation of the Tokyo Summit conclusions, particularly those related to the adoption of national oil-import targets for 1985. Agreement was reached after difficult negotiations. As I mentioned earlier, the Energy Council on 4 December reached agreement on a breakdown between the Member States of the oil-import ceiling set for 1980. A register of crude-oil imports has been set up to permit closer surveillance of the spot market, and the register is to be extended to oil products shortly. The Presidency has also been maintaining contact with countries in the Arabian Gulf concerning the Kuwait initiative proposing Euro-Gulf talks on energy.

Within the Community, we have succeeded in agreeing on a new research and development programme on energy-saving and new sources of energy. In the nuclear field, obstacles to the completion of a Euratom-Australia Safeguards Agreement and a draft Convention on the Physical Protection of Nuclear Materials were removed at the Council on 18 September. The Convention, which was an American initiative, was concluded in Vienna at the end of October.

Much of our effort has been concentrated on coordinating the positions of the nine member countries in

multilateral organizations, on the current General Assembly of the United Nations and on the preparation for the CSCE meeting which is due to be held in Madrid next year. At the general debate in the United Nations' General Assembly in September, the Nine were able to make a contribution on a wide range of political issues, and throughout the present UN session we have as a Community, continued and strengthened our efforts to concert our voting positions as closely as possible. The Nine attach great importance, and rightly so, to cooperation on security and CSCE issues generally. During the Irish Presidency, we stepped up our intensive preparations for the forthcoming CSCE meeting. As you know, the Nine have a global concept of détente, and do not favour any one aspect at the expense of others. While we will pursue all aspects of the Helsinki Final Act, military aspects of security in Europe are likely to play a prominent role at the Madrid meeting. At the recent meeting of the Foreign Ministers of the Nine in Brussels on 20 November, we agreed on elements of our approach to these issues. Work on CSCE issues will increase in intensity next year, but I think it is fair to say that a good foundation has already been laid for an active and coordinated contribution by the Nine at the proposed meeting in Madrid.

Developments in South-East Asia have been of pressing concern to the Nine during the past six months, and we have sought to be active in trying to solve the Indo-Chinese refugee problem and in advocating a political solution to the crisis in Cambodia. The Nine took an active role in calling for the UN meeting on the refugee problem, which was held in Geneva in September. The Community and the Member States individually have given substantial contributions of humanitarian aid, accepted large numbers of refugees for resettlement, and are continuing to support UN efforts in this area. On Cambodia, the Nine have been active in seeking a political solution based on genuine independence, so that Cambodia can be free from any foreign military presence, enjoy friendly relations with all countries in the region and benefit fully from international aid for reconstruction. At the recent meeting in Dublin, the European Council emphasized the urgent need to ensure that international relief efforts to alleviate the tragic situation in Cambodia and to help Cambodian refugees in Thailand shall be effective. The Council appeal to all those in a position to help, particularly those directly concerned, to ensure that relief quickly reaches those most in need. In these difficult economic times the Community and the Member States are making a substantial contribution of 80 000 000 dollars to the efforts of the international agencies.

The Nine have firmly maintained a common attitude to the conflict in the Middle East. In the course of the Presidency's speech on behalf of the Nine to the

## Lenihan

United Nations' General Assembly, the Nine made clear once again the basic principles which they believe should be applied in finding a solution to the conflict. We were also active in support of the independence, sovereignty and territorial integrity of the Lebanon, and gave our strong backing to the United Nations' peace-keeping operations there.

In recent weeks, we have had to deal with the worsening situation created by the continued occupation of the US Embassy in Teheran. From the beginning of the crisis, the diplomatic representatives of the Nine have been in regular contact with the Iranian authorities, requesting them to release the hostages forthwith. We have made it clear that we totally reject the failure of the Iranian authorities to live up to their commitments to protect diplomatic missions, and that the threat to put the hostages on trial is a flagrant violation of international law.

*(Applause)*

In Dublin, on 29 and 30 November, the European Council again made a solemn appeal to Iran to respect the established principles governing relations among States, and urged that the hostages be released immediately. I might add that in making its appeal, the European Council made specific reference to the views expressed by the European Parliament on this situation.

During the past months, we have sought suitable ways to resume the Euro-Arab dialogue, which has unfortunately suffered a slow-down in activity as a result of political developments which have been affecting relations among the Arab States in recent times. In September, the Presidency made clear, on behalf of the Nine, the willingness of the Nine to resume the dialogue with the Arab world as a whole. The Nine have examined practical possibilities to resume the dialogue on a technical level first of all, and last week we discussed the best way to proceed in future with the Secretary-General of the Arab League in Tunis. It is our hope that this contact will lead very shortly to a resumption of the activities of the dialogue on a basis acceptable to all the countries in the area.

On Africa, the Nine in recent months have supported the efforts made by the United Kingdom Government and various African leaders in favour of a negotiated settlement on Rhodesia. We are pleased at the success of the London Constitutional Conference, and hope that the present destructive conflict will be brought speedily to an end. We look forward to the day when a free and independent Zimbabwe will take its rightful place among the world community of nations.

I should like to say a few words on progress with regard to a European judicial area. First, I am pleased to report that the agreement on the application of the European Convention on the Suppression of

Terrorism was signed in Dublin last week. The agreement regulates the position of each Member State of the Nine in regard to the Convention, which provides for extradition or prosecution in respect of certain terrorist type offences without infringing the constitutional requirements of any Member State. Second, we have made good progress on the draft Convention on Cooperation in Criminal Matters, and it is hoped that it can be approved and opened for signature next year.

Madam President, Ireland, during its Presidency of the Community, has been committed to strengthening the cooperation which has existed between the Council and Parliament in the past. We have realized, among other things, that a directly-elected Parliament would feel entitled, and rightly, to demand from the Council a more considered response than hitherto to the resolutions adopted by the Parliament.

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

The Council, on the initiative of the President, has been examining the working of existing procedures for taking into consideration the resolutions of this Parliament, and studying whether new procedures might not be introduced. The Council has not yet completed its examination of the matter, which, I hope, will be the subject of fruitful discussions in the near future between my successor in the Council Presidency and this Parliament. The relationship between the Council and the directly elected Parliament is still evolving, still in the process of developing, and I feel that this is important to all of us here, as democrats who believe in the future of Parliamentary democracy and in the need, particularly in the Community, to ensure that this Parliament and the Council work together, and that due heed is taken by the Council of democratic parliamentary decisions.

I am aware that this must be an evolutionary process, but we must approach it in a positive way, and I believe that the relationship between the Council and this directly-elected Parliament must be based on mutual respect. I hope I may rely on this mutual respect in speaking my mind frankly on the present situation between the Parliament and the Council. Difficulties have arisen, as we all know, in respect of the budgetary procedure. It would be regrettable if, as a result of these difficulties, either institution were to adopt inflexible positions. Council and Parliament share the responsibility for ensuring that these difficulties are approached in a positive, political spirit, and I hope that this spirit will inform the discussions which we shall be having together later today. I hope that we on both sides, on the Council's side and on the side of the Parliament, as practical politicians, can arrive at solutions which will avoid a descent into a sterile confrontation from which neither party, neither the Parliament nor the Council, nor indeed the Community as a whole, can in any way benefit. It

**Lenihan**

behoves us, as politicians, to be positive, to show a spirit of compromise, to show that political will can have a reality, and the only reality is the achievement of constructive progress. I trust that the meetings which we shall be having later today on this difficult matter will prove successful and will be informed by a spirit and an attitude of constructive progress based on mutual respect and, above all, on a political will to get matters moving, to get things done.

Thank you very much, Madam President ; I am sorry for having detained the Parliament, but I feel it is important for the record to spell out, on an occasion like this, the whole picture as it has taken shape over the last six months. I am certain that the incoming Presidency will build further so that we can, brick by brick, construct the edifice of a real Community in which the Institutions of the Community, above all else, will be strengthened so as to form the cement of that ultimate edifice.

*(Applause)*

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

**Mr Ruffolo.** — *(I)* Madam President, if I remember rightly, President Giscard d'Estaing announced to the world the creation of the European Council in solemn and somewhat regal terms. 'The Summit is dead' — he said — 'long live the European Council.' Now I wonder, Madam President, whether, after the Dublin Summit, we must not also perhaps come to the conclusion that the European Council is moribund.

The greatest achievement of this Summit or of this European Council, according to the two reports which we have just listened to — that of the President of the Commission and that of the President of the Council of Ministers, to whom we extend our most cordial welcome: in fact two workman-like and unpretentious reports — appears to have been that it merely succeeded in preventing its own demise. Well now, Madam President, the failure of the Dublin Summit is the result of a sterile, narrow form of diplomacy which has exhausted its own limited imagination ; and we shall not succeed in counteracting at the eleventh hour the various wrongs suffered by this Parliament at the hands of the Council of Ministers by more exhortations or polite formulas.

There were two main problems on the table at Dublin: the problem of British financial contributions to the Community and the wider and more complex problem of how to reduce the disparities between living standards and economic structures in the Member States, a problem to which the somewhat tiresome label of 'convergence' has been given.

Well now, during recent months the first problem has got completely out of hand ; it has taken on the

appearance of a real trial of wills: in the end it seemed to threaten the very cohesion of the Community. Who is to blame for this ?

In the motion for a resolution bearing its name, the Socialist Group has already expressed its full solidarity with the United Kingdom and its conviction that the burden which, for various different reasons, it is obliged to bear today is intolerable and inequitable.

But it is not just the total amount of the financial imbalance that makes this problem so serious ; rather, and above all, it is the awareness, on the part of those who are having to put up with this burden, that they are participating in an enterprise which should be communal and which in fact is directed, to the extent of the greater part of its resources, in one direction only, a direction which necessarily and systematically involves advantages for some countries and disadvantages for others. The various appeals to Community solidarity, to abiding by the rules of the game and also the recommendations that reasonable moderation and gradualness should be the hall-marks of any corrective mechanisms, would therefore be much more eloquent and persuasive if, at the same time, some concrete steps were undertaken to show that there was a serious intention of correcting the fundamental distortions, which — let me add in parentheses — do not affect the United Kingdom only. Such an intention was nowhere evident, Madam President, either at Dublin or before Dublin, at Brussels, where an opportunity to correct these distortions which the Parliament had proposed was shabbily ignored and, moreover, with the quite incomprehensible connivance of the British government itself.

On the other hand it must be said that the problem has been couched by the British authorities in such rigid and ultimatum-like terms as to justify the suspicion that the arrogance of the British attitude conceals a temptation to seek an outlet abroad for tensions and conflicts that are festering at home. In other words, it looks as if we are up against something which psychoanalysts call 'aggressive overreaction'.

To conclude this aspect of the matter, I should like to say that the rigidity of both sides in Dublin turned a perfectly tractable problem into something really serious. A complete break between the United Kingdom and the rest of the Community was headed off, *in extremis*, but in fact it was only postponed. The task of averting a complete breakdown was put on the — alas, somewhat slender — shoulders of the new President of the Council of Ministers of the Community. But I don't see how he can be expected to carry out this task if he does not manage to alter the terms of reference and widen the margins within which the short-sighted diplomacy of the Member States has obliged him to operate.

## Ruffolo

And now we come to the second problem, that of convergence. Here, to tell the truth, we are obliged to be more indulgent with regard to the European Council. The fact is that the input which it received from the Commission and from the Commission's preparatory documents consisted solely of words. The European Council could not, therefore, be expected to produce an output which was much more concrete in nature. Nevertheless the Dublin communiqué makes particularly depressing reading. The European Council expressed its 'determination to promote the adoption of measures to improve the working of Community policies to reinforce those policies most likely to favour the growth of the economies of the Member States and to reduce the disparities between these economies' etc etc.

The European Council seems more than ever determined to act but it does not act. Like the chorus in an opera, it is always ready to depart but it still lingers on.

There are, ladies and gentlemen, three concrete ways of promoting a genuine reduction in the economic disparities between the Member States of the Community and the Community is at fault with regard to every single one!

The first method is to reinforce the Community budget as an instrument for effective and systematic redistribution of resources within the Community. The MacDougall report, one of the many 'intellectual exercises' which the Commission promotes and subsequently buries the results of in its vast subconscious, reminds us that the redistribution of resources, which is effected via the national budgets, reduces, on average, by 40% the disparity between the income of the poorest regions and that of the richest. You are well aware that the theoretical redistributive effect of the Community budget is scarcely 1%. It is a perverse effect, since the greater part of its expenditure is carried out to benefit those very regions which are the most prosperous. The first and most fundamental condition of convergence must therefore be to increase and restructure the Community budget. Tomorrow the Parliament will have the occasion to assess the use which the Council of Ministers has made of this instrument. I hope that it will be as severe as possible and, in any case, will avoid any compromises which could lower the level of this decision.

The second means of achieving convergence must definitely be a real European monetary system, which means something more than a system of adjustable fixed exchange rates, crawling pegs as they are commonly called, though in fact there is a great deal of crawling but very few pegs. As my colleague, Mr Pisani, said in a book on this subject, the European monetary system should have been the finishing touch to economic and monetary union, not the begin-

ning of it. The first and most immediate guarantee of stability of the system in present conditions should therefore be the creation of a much more robust mechanism of cooperation and monetary protection than the one at present in existence, with the pooling of a significant proportion of Member States' reserves, the setting up of a genuine European monetary authority equipped with real operation of autonomy and the promotion of the ECU from its present role of accounting tool to that of a genuine monetary unit.

What are we doing to move in this direction? The answer is: precisely nothing.

Consequently the Dublin communiqué, according to which the Council 'confirms its intention to set up the European Monetary Fund in accordance with the timetable envisaged', appears singularly faint-hearted and indeed incomprehensible. The truth of the matter is that in present conditions the European Monetary System seems to be exposed to several grave dangers: in addition, the present growing inflationary tensions will further aggravate in future the pressures to which the system is subjected.

The third and also the most vital instrument of convergence is an economic plan capable of establishing development objectives for all the Member States and for the Community as a whole, setting out thereby in concrete terms this otherwise elusive and abstract convergence towards something which no-one can define. This is an obvious instrument but at the moment it is completely non-existent. The Community is steering blind at the moment.

Faced with the short-term prospects which emerge somewhat menacingly from its own economic forecasts and faced, also, with structural problems and the challenges that emerge against the background of the 1980s, the European Council has no strategy to put forward. All we have are extremely general and, which is worse, perverse, recommendations, like the recommendation in the Dublin communiqué that the political and economic programme should be divided into two stages, the first concerned with the fight against inflation and the second concerned with fighting unemployment, as if these two phenomena were not the two faces of one and the same problem which has its roots in structural conditions and causes!

The foregoing considerations are the basis of the resolution which the Socialist Group has put forward and for which, Madam President, it has requested urgent procedure. We Socialists were all very much surprised that in the case of a problem of this sort which concerns the reaction that the Parliament ought to have had immediately it heard of what had happened at the European Council in Dublin, urgent procedure should have been refused for reasons which seem extremely specious to me. However I shall take the liberty of reading out the three very brief conclusions to which this resolution comes:

**Ruffolo**

- invites the Commission to present the Parliament, before the next meeting of the European Council, with a report on the long-term economic and social problems of the Community and their implications for the establishment of Community policy objectives and priorities and the provision of appropriate implementing machinery;
- invites the Commission, in the context of discussions on fixing appropriations for the 1981 budget scheduled to take place at the beginning of next year, to put forward a proposal for the adoption of a multi-annual budget which will provide for a gradual and rational approach to the future size and structure of the Community budget in accordance with the objectives and priorities agreed;
- instructs its President to call for a debate as quickly as possible on the problems of the relations between the Community institutions and in particular between the European Parliament and the European Council.

Mr President, we are going through a period of hard and difficult trials and the period that lies ahead of Europe is even more difficult.

We should like statesmen and government officials rise to the occasion and take on the responsibilities which these trials will involve. At Dublin the Heads of State and Government of the Community fell far short of this. Now it is up to the European Parliament to show the Community the right way I trust, Mr President, ladies and gentlemen, that it will not fail to fulfil this duty and seize the opportunity which it now has.

*(Applause)*

#### IN THE CHAIR : MR GONELLA

##### *Vice-President*

**President.** — I call Mr Colombo to speak on behalf of the Group of the European Peoples Party (Christian-Democrats).

**Mr Colombo.** — *(I)* Mr President, ladies and gentlemen, let me start by expressing my own thanks and those of my Group to Mr Jenkins for his introductory report, which did something to dispel some of the pessimism so rife in this House after the European Council in Dublin.

I should also like to thank the President-in-Office of the Council, our former colleague Mr Lenihan. I congratulate him on his appointment as foreign minister and should like to express to him and, through him, to the Irish Government, our appreciation of the Irish Presidency which, while having to tackle serious problems at a difficult and delicate moment of time, also had to face grave problems at home.

I would mention Mr O'Kennedy's regular attendance at the sittings of Parliament, as well as at the meetings on political cooperation, which we consider so important.

I would also remind you that the Irish Prime Minister, Mr Lynch, was the first President-in-Office of the Council to attend a sitting — albeit an inaugural one — of this Parliament. In doing so, he may well have been anticipating the proposal made in the report of the 'Three Wise Men' that the European Council should finally come down from 'on high' and report to Parliament. I think Mr Ruffolo referred to the European Council as being 'meta-institutional', but in the light of the Dublin summit I feel it might better be defined as 'metapolitical' or 'metaphysical', so general and vague was the political outcome of this latest European get-together. Nevertheless, it should finally report to Parliament and face up to the facts of life which we are constantly expressing.

The President of the Council should not be surprised if my speech contains some criticisms. These are directed not at the Irish Presidency, but at the functioning of the Council, at the current state of relations between the Council and Parliament, and at relations between the institutions in general.

The central element in the statements by both Mr Jenkins and Mr Lenihan was the outcome of the European Council in Dublin. These statements — particularly Mr Lenihan's — had at least one positive aspect, in that they took the conclusions of the Dublin meeting out of the fog of general affirmations — imprecise and vaguely-worded expressions of good intentions regarding future policies — and highlighted what, apart from the proposed studies and calls for the Commission to submit proposals, was the main feature of the Dublin meeting — its failure to reach agreement on convergence policy. There can be no doubt that this failure has opened up a crisis which now threatens the existence of the Community. The other day, a prominent French politician, Mr Couve de Murville — who is no stranger to crises like this, since he was a minister at the time of the 'empty seat' policy in 1965 — wondered in an article in *Le Monde* whether this crisis was not to some extent comparable with the earlier one. I do not think there are any grounds for comparison. On the other hand, if there is one thing we can say, it is that, at the present time, in Community affairs, in relations between the governments, and perhaps even in relations between the institutions, there is a noticeable lack of that spirit of facing up to critical situations which was already lacking on other occasions, and which would enable us to get down to finding solutions, even if, as after the so-called 'Luxembourg compromise', these solutions are not always felt to be particularly laudable.

What were the reasons for this failure? Let me start by mentioning questions of procedure, rather than of substance. I ask myself how and why a European Council was held to discuss such a touchy subject as convergence and financial equalization without adequate preparation and prior discussions involving

## Colombo

Coper, the Council of Ministers and the Commission. The European Council would then have had available to it not only a list of points on which agreement had already been reached, but also an objective assessment of the points of disagreement. The fact is that the European Council does not have magic powers. Nor can one expect the Heads of State or Government and the Presidents of the various Councils of Ministers — all of whom are under pressure from public opinion in their own countries — to change their positions overnight without there having been adequate preparation.

I do not accept Mr Ruffolo's psychoanalytical interpretation of the element of 'aggressive overreaction' in the stance adopted by one of those attending the European Council, but these shortcomings in the preparation were undoubtedly one of the reasons for this failure.

I also wonder whether it would not have been better to devote some time — and certainly more attention — to Parliament's debates and resolutions. At its last part-session, Parliament discussed convergence at length and adopted a resolution which I think remains valid — in fact I think it remains one of the clearest indications as to how to overcome the crisis opened up in Dublin. I am convinced that Parliament's debate and the conclusions it reached produced standpoints which are much more conciliatory than those which became evident at the European Council. I must add that there was a mistake in the way the problem was put. What we wanted to avoid, and what we warned the Council about in the last part-session, finally happened in Dublin. At the European Council, the wide-ranging problem of economic convergence, of equilibrium, of advantages and disadvantages, was reduced — as we had feared and had tried to prevent — to the narrow and distorted aspect of the so-called *juste retour*. We have stated here, and it is still our conviction, that the 'fair return' policy, besides being too narrow for a broader view of the problem of convergence, since it reduces the whole question to a purely financial operation, to a sort of double-entry bookkeeping, has one other serious consequence — it strikes at the very roots of the own resources principle. And this was the principle worked out after the 'empty seat' crisis of 1965-66. The *juste retour* strikes at the principle of Community financial responsibility, which is one of the mainstays and one of the cornerstones of the existence of the Community. If the concept of convergence is reduced to a financial operation which does nothing more than renationalize the resources, I fail to see how and why and with what justification we can ask the governments of the richer Member States to transfer resources to the poorer countries, so as to implement those Community policies aimed at eliminating the tensions and imbalances within the Community.

We have recognized, and continue to do so, that the United Kingdom has a problem. The financial imbalance is evident from this imbalance in input and yield. However, we must remember — as was pointed out at the last part-session — that the reasons for this imbalance are not purely and simply financial, but also economic. One need only look at the pattern of the United Kingdom's trade to see the causes of the financial imbalance, or at least one of the major causes. It will be possible to rectify these imbalances gradually, as the policy of integration becomes more fully implemented, but we know and appreciate how much more difficult this process of integration is for the United Kingdom, in view of the historical background and the inherent characteristics of the British economy. We therefore recognize that a system of adjustment must be found in the meantime to correct not only the financial effects, but also the psychological — and hence political — effects on public opinion in Britain of realizing the difference between the position of Britain and that of other Member States — particularly since Britain's *per capita* income is lower than the Community average. However, in looking for a solution — and this is the view we wish to make known to both the Commission and the Council — it is essential that we come up with a Community solution, and not an intergovernmental solution, as at least some press reports indicated had been mooted by some of those attending the Dublin meeting.

I would remind you that our Committee on Budgets, and then Parliament itself, approved an agenda which outlined a new and lasting mechanism for a financial equalization based on the concept of gross national product, but our resolution added that this must help the efforts towards convergence under the common policies. Parliament's attitude thus moved convergence policy away from the shoals of purely financial compensation and placed it in a broader framework in which convergence policy will be all the more successful the more clearly defined are its objectives.

We must now reopen discussions to overcome this crisis. I do not think, looking at the international background against which our Community and its Member States have to operate, that we can afford a Community crisis which pits country against country in a way which makes the problem appear insoluble. I believe Parliament can make a contribution, and it will do so of its own accord, but we call upon both the Commission and the Council to make use of this contribution and to take more account of it than they have done in this present case.

However, on both the problem of the United Kingdom and the whole existence of the Community and of the convergence policy, we must continue to reiterate — I say continue, since the subject turns up in all our debates as well as in the official communications — that convergence policy stands on two

## Colombo

pillars; the first is the coordination of the economic policies of the Member States, and the second is the Community policies. However, these Community policies presuppose corrections in some current policies and the strengthening of others, so that we can have a fuller and wider range of instruments of intervention. This even requires the creation of new instruments and new policies — in other words a wider range of policies.

As has been stated on various occasions, convergence policy is essential and fundamental to the continued existence of the European Monetary System — quite apart from the specific question of the British problem discussed by the European Council. I note that the Council of Ministers' report and Mr Lenihan's statement both make the point that one of the major achievements in 1979 was the setting-up of the European Monetary System. I go along with that, although I recognize it for what it is — something undoubtedly more limited in scope than the ill-fated 1972 programme of economic and monetary union. Nevertheless, I would point out that this system was designed not merely as a method of controlling exchange rates, but also as an instrument of development policy. This was why, to counter the fears of some prospective Member States, and in view of the difficulties which did undoubtedly exist, there was talk of accompanying policies. What, then, has become of these policies? We cannot maintain that they have made great headway, apart from the European Parliament's decision last December — under the budget procedure — to increase the appropriations for some types of intervention, particularly the Regional Fund.

I am pleased to note that the European Council's communiqué reaffirms the intention to set up the European Monetary Fund so as to increase efforts to achieve the objectives of the European Monetary System. However, no monetary system can last for long, either as a means of controlling exchange rates or as an instrument of development policy, without genuine coordination of the policies of the Member States or without common policies — the so-called accompanying policies. We can of course delude ourselves into thinking that the imbalances within the Community can be corrected by means of minor devaluations and revaluations such as we saw last September, although even then, with inflation going up again, we should undoubtedly be much more concerned than we were at the start of 1979. But nobody can really believe that such a procedure — involving minor and over-cautious devaluations and revaluations — can possibly be adequate to overcome these imbalances. In the long term, this kind of thing may even do more harm than good.

In that part of the communiqué which I described — I think justifiably — as being in extremely general terms, the European Council appears to indicate that direct steps must be taken to improve the functioning

of the common policies. It adds that specific policies must be implemented to encourage harmonious growth and reduce disparities. However, these are things which should no longer just be proclaimed — they must be put into action, and put into action more effectively, more decisively and more efficiently. And I come now to the subject which is currently causing Parliament concern and which will be discussed in its proper place during tomorrow's debates.

I feel there is a certain inconsistency between the final communiqué issued by the European Council and the attitude adopted by the Council of Ministers in this Parliament with regard to the changes in the budget. What did our proposals in fact amount to? I do not mean the figures — which I do not in any case have in front of me — but rather the three central issues involved. The first of these concerned compulsory expenditure and the common agricultural policy — in other words a brake on the Guarantee policy and a change-over to structural policy with a reduction in spending on stocks. The idea was to introduce a change in the common agricultural policy, shifting the emphasis from guarantees to structural policy, or at any rate starting to lay down limits.

Perhaps this amounts to destroying the common agricultural policy? I do not think so. On the contrary, I think it amounts to safeguarding and strengthening it, because an agricultural policy which inexorably eats up most or all of the budgetary resources will end up by not only causing imbalances within the Community but also eventually being the target for all the political reactions which uncontrollable mechanisms provoke. I therefore feel that there are no grounds for saying that these amendments were aimed at destroying the common agricultural policy. The other changes were aimed at promoting research policy, industrial policy, technology and environmental policy, and after the latest communiqué from the European Council I think we will also have to include telematics in our considerations. The aim was to promote and increase the effectiveness of the Social Fund and the Regional Fund. The changes thus concerned those common policies of which we were speaking in the context of convergence.

The third point, which reaffirmed the principle of the unity of the budget, was the inclusion in the budget of the 800 million u.a. for interest rebates for Community loans — the most obvious measure adopted along with the EMS in an effort to achieve convergence. What did these changes amount to? More than their value in terms of money, they were intended as an indication of our determination to redirect a particular policy in a way on which I think we were all agreed, and in a way on which I think almost all the governments are agreed — at least when they are speaking on their own behalf, and not with a single voice within the Community institutions.

## Colombo

I am sorry to have to say to Mr Lenihan — since no blame attaches to him at all — that I quite frankly feel that the Council was acting short-sightedly in not giving serious consideration to the amendments proposed by Parliament. It was short-sighted economically, it was short-sighted financially and, if I may say so, it was also short-sighted politically. For the first time the Council was facing a directly elected Parliament so it was essential for it to show a willingness to enter into a closer and more constructive dialogue. Basically, all we wanted to do was to reaffirm the need for healthy concertation between the institutions, a concertation which has produced proposals which are perfectly reasonable. We did not want to provoke an interinstitutional crisis which is undoubtedly causing a further general deterioration in the state of the Community. All we wanted was a constructive dialogue. Now we have consultation, but if I may say so, it is too late and its outcome is uncertain. Will the Council be able to solve the problem of the obligatory expenditure, whose symbolic importance I mentioned above? Will it be able to pave the way for a consistent approach to common policies which, alongside the common agricultural policy, make it plain that positive steps are being taken to achieve convergence of the economies? Then there is the question of the rate of increase of expenditure. Will the Council be able to find a solution which respects the principle of budgetary unity? We discussed this same question last year, and on that occasion I would point out that it was I myself — to my present regret — who wound up the debate by accepting a statement from the Council concerning the entry in the budget of the 800 million u. a. and other similar expenditure, to the effect that the Council would be introducing a regulation which would settle the question of budgetary unity. And now here we are again in the same position on such important matters.

The Council should realize that our decision — the decision of our Group — to reject the budget stems not so much from the quantitative aspect of the proposed amendments as from their intrinsic qualitative merits. It should also realize that our intention to reject the budget stems also from the fact that we have felt — and this is the psychological and political element which the Council must overcome — that a sort of wall was being built up between the Council of Ministers and Parliament. This is what has so wounded this House. How can such a situation be remedied at the last minute with a hurried discussion? You have an extremely difficult task, although it must be said in the Council's favour that they have shown willingness to reopen discussions. We shall see how things turn out. However, I shall return in a minute to problems in interinstitutional relations, particularly those between Parliament and the Council of Ministers.

For the time being, let me dwell for a moment on some specific points in the statement by the President-

in-Office of the Council. In the field of the Community's external relations, I above all welcome the firm position adopted on Iran, first of all by the Council of Ministers and then by the European Council. This involves principles of international law and international guarantees on which it is essential not to show any weakness. I think it is worth pointing out that the position adopted is correct, and that we are in full agreement with it. The same applies with regard to Kampuchea.

My group also considers that one of the achievements of the last six months was the signing of the Lomé Convention, although I am dissatisfied with progress on the negotiations with Portugal and Spain.

If I mention these subjects, it is not that I want to go into the essential merits of the matter, but rather that I wish to remind you all — and hence the other institutions as well — that these countries have political problems which are related to the subject of European solidarity. If Europe were to give the impression that it was incapable of getting the negotiations moving, or that it was somehow using procedural tricks or technical difficulties to slow them down, I think this would have serious consequences for the future of democracy in these countries. Some of the problems involved also concern our own economies — as an Italian, I cannot but mention the Mediterranean policy — and I think our efforts should be directed more towards finding a solution than towards putting it off.

There is one point in Mr Lenihan's report which I should like to take up for a moment — the current negotiations on a cooperation agreement with Yugoslavia. Yugoslavia attached great importance to this instrument of cooperation, and it was therefore disappointed when the Council approved the first directive on it. I was visiting that country just at that time, and my impressions were quite definite. I feel it is our duty to bring these negotiations with Yugoslavia to a final and positive conclusion.

In the field of political cooperation, finally, we must devote our attention to the preparations for the Madrid conference on security and cooperation. While many NATO countries are currently debating, in other forums, the reestablishment of a balance between NATO and Warsaw Pact forces, let me say that it is essential — unfortunately but inevitably — to keep open all the channels of negotiation likely to keep East-West relations alive, so as to achieve progress at the conference on security.

May I ask, Mr President-in-Office — although this is something on which Mr Blumenfeld will probably be

## Colombo

speaking on behalf of our Group — for detailed discussions on political cooperation, on where it stands and on its relationship with Parliament.

And now one final comment on institutional aspects. The statement mentioned the report of the 'Three Wise Men', but Mr Lenihan added something about relations between the Council of Ministers and Parliament — on which this House is very touchy. There is one thing I should like to say first, however. When it took reception of the Wise Men's report, the European Council said that it would be sending it to the other institutions 'for information'. I was most impressed by this polite expression used by the diplomat who probably drew up the text of this report. But what does that mean — sending the report of the Three Wise Men to the other institutions 'for information'? Does it perhaps mean that the evolution of the Community institutions, the progress of European Union, increased solidarity between the institutions and improvements in procedures are not subjects which involve all the institutions, so that they should not only just be informed of what the governments are up to, but should also study the merits of the problems? Parliament, too, must and will make its contribution — first of all through the Political Affairs Committee which I have the honour of chairing, and then in plenary session. We claim our right to do this under the Treaty. However, in this context, quite apart from the report of the Three Wise Men, I should like to say a few plain words to the other institutions, in particular the Council of Ministers. The direct elections were an achievement, but you will be aware that there are two theories about the direct elections to the European Parliament. One theory — and this is the one in which we believe, in which we have always believed and wish to continue to believe — says that the belated decision, after twenty years, to hold direct elections to Parliament finally meant increased control and participation by the peoples of Europe in the construction of Europe, in the hope that this involvement and participation would produce new impulses. This is the interpretation in which I should like to continue to believe. But you will be aware that there is another interpretation — one that has even been given in public — of the reasons for having direct elections to the European Parliament. Some people have claimed that the elections were a demonstrative publicity stunt to cover up the total lack of action by the institutions and the governments on progress towards European union.

As I said, I believe in the first theory, not the second. In any case, you cannot mobilize 180 million people in Europe all for nothing, without doing something to follow up such an important event. When I say follow up, I do not mean the elections purely and simply. This Parliament must be not only the Parliament working within the scope of the Treaties, but also a Parliament capable of making its voice heard. Mr Lenihan, let me repeat to you — and, through you, to

whoever will be succeeding you — what I said to your colleague Mr O'Kennedy a few weeks ago. Pay attention to Parliament, do not let your desks fill up with unheeded resolutions which Parliament has passed and which go unheard by the Council or the Commission. Take Parliament's use of its powers of initiative and proposal seriously. We should like to establish a clearer definition of these powers of initiative via the studies which the Political Affairs Committee is currently undertaking. Keep open the channels through which passes the will of the people, and take account of their opinions. At the instigation of Parliament, let the Commission fully regain its power of initiative, and it will find support in this House — the Commission's power of initiative should thus become an impulse for progress in the Community, for progress towards the achievement of Community policies.

Let me finish by saying that, with my modest powers of prophecy, I can see two crises looming on the horizon and which cause me great concern. Firstly, there is a crisis in public opinion towards Parliament, and this crisis is expressed in the mass media. It is a crisis of disappointment and a crisis of disinterest. The other crisis which I see looming, and which follows on from this crisis in public opinion, is the crisis among the Members of this Parliament. This is a directly elected Parliament, with 410 Members who work and travel the length and breadth of Europe — and their working conditions are sometimes extremely difficult — and who are beginning to feel frustrated, because it may — I say 'may' — seem to them that their work is pointless. If these two crises really do come to pass, we shall have worn out that democratic process which we set in motion and which we must keep alive — not just because there has to be democratic and popular control of the institutions, but also because there must be a popular involvement in the future progress of our Community. The Council of Ministers and the national governments should not succumb to the temptation to try and 'conquer' Parliament, because this would undoubtedly provoke a crisis. As I said, 180 million Europeans cannot be mobilized to no purpose at all.

In your document, Mr Lenihan, you refer to one point made in the report of the Three Wise Men — a point which I find extremely apposite and which should give us much food for thought. The Three Wise Men, after consulting so many people and all the institutions, come to the conclusion that, while there undoubtedly are procedural and interinstitutional aspects which could be improved, this is not the whole story. There are tensions within the Community which are currently causing concern and making it difficult to overcome the obstacles on the road to a more genuine European union. This time, it is not the institutions and the Council which can provide the answer, but the political forces represented here in this House. These tensions can and will be overcome

## Colombo

once there is full agreement between the policies pursued by the various political parties in this Parliament and the policies pursued by the same parties in their national parliaments and governments. Once this strict agreement has been achieved, i. e. once we are proceeding along the same road consistently in all forums, it will be easier to overcome the tensions. I hope we can manage this, I hope so for your sakes, I hope so for the sake of all those who are convinced of the need for our Community to make progress.

*(Applause)*

**President.** — In accordance with the decision of 10 December 1979, I declare the list of speakers closed.

I call Mr Fergusson to speak on behalf of the European Democratic Group.

**Mr Fergusson.** — My group also welcomes Mr Lenihan to this Parliament in his new capacity, and congratulates him on acceding to the Presidency of the Council in these, its very last stages.

In his previous capacity, too, I would think he would have agreed with us that there were two very striking features in the communiqué that emanated from the Dublin meeting of the European Council. If they have been somewhat overlooked, that is no doubt on account of the so-called family budgetary squabbles to which that body is currently prone. We listened with close attention to what Mr Colombo said about budgetary contributions, and we of course share his wish that in the long run, an agreeable Community solution will be found to those problems. One of the features to which I would draw attention, and which was no less apparent in the President's speech, is the continuing energy crisis that is upon us all; the increased price of oil; the lack of an effective common strategy; the close connection between energy problems and the diplomatic anarchy now reigning in Iran. To the matter of energy my colleagues will refer later.

The other feature was the way in which the Council — not unlike ourselves very often — was able to refer in terms of injured horror to man's inhumanity to man the world over from Iran to Cambodia, and yet felt it could overlook publicly a matter of far closer concern to all our people here. I refer to the grotesque posturing of the Soviet Union in respect of the security of our Member States over the past two months. The attention paid to this by the Irish President-in-Office, in the context of détente, and then of disarmament, has been much more open. It encourages us greatly to know that the military aspects of security have loomed so large in the discussions of the Council of the Nine during this Presidency, although it is to the political aspects that I want to refer. In doing so, I would wish to encourage the Foreign Ministers meeting in political cooperation to move ever more urgently towards a common foreign policy.

One good reason is that in so many of the areas mentioned in the President's speech — in the Middle East, from the Lebanon to Iran, in Africa, in Indo-China — policies of militant destabilization are even now being executed by the Soviet Union or by her closest allies.

Nevertheless it is to the destabilization which we are experiencing nearer to home this very week that I want to turn. In raising this matter I would think, if they were present, that I would have the wide support of many of the people opposite. The Dublin communiqué repeated the Treaty commitment to an ever closer union among the peoples of Europe. It is commonplace that a common external threat is one of the most unifying factors to affect human society; but we must look into our own hearts most searchingly to discover why the calculated, mounting threat to the West posed by the Soviet build-up is not against all nature unifying us, but, apparently, is disrupting such unity as we hope we have. We must ask: what, beyond a carefully orchestrated programme of intimidation of our Member States, my own included, since the beginning of October, is allowing some of us to be panicked and picked off one by one?

Mr President, it will not have escaped your notice that today, simultaneously with our debate, the defensive alliance to which so many of our Member States belong, is preparing its joint response to the huge military lead established by the Warsaw Pact. The details of that response need not concern us — though Mr Capanna ought perhaps to recognize, when he speaks of mutual reductions in Eastern and Western Europe, that the SS-20 missile can reach any European capital from the other side of the Urals. But although this debate coincides with the meeting of the alliance, we can neither hope to influence it, or, in turn, to be influenced by it.

What is very much our business is the politics of it all. I refer to the Russian programme of intimidation through intervention in our own political affairs. It is for this Parliament to defend the right of the member nations of the Community to defend themselves, whether individually or in alliance, as they see fit. It is that right which Soviet political interference has now challenged. Let us note the political circumstances of this challenge. Russia has obliged her neighbours to house an immense arsenal, contrived, let this be clear, primarily to advance her own military strategy. Had the countries of Eastern Europe any choice? Could they debate the issue? Could they express support for the deployment of Soviet missiles on their territory? Could they express dismay that the Soviet war machine is now infinitely more powerful than any purely defensive arrangement could justify?

Some of us were accused here in this House last September of attempting to turn the Community into an industrial-military complex. But the only nation in

## Fergusson

the world which merits such a description in full is the Soviet Union, with its obscene economic imbalance in favour of the arms machine, and at the expense of providing food and clothing for even its own citizens, let alone anybody else's. Only last month, the deputy chairman of the USSR Council of Ministers referred to the plan further to enhance his country's defence capacity, and Mr Brezhnev repeated it. Does anyone seriously doubt that the countries of Eastern Europe, could their people speak freely, had they a forum such as this one to do it in, would declare themselves as terrified as we are at being dragged into nuclear devastation by Russian ambitions?

Mr President, I hope that the sensitivity of these matters will not prevent our consideration of at least the politics, and perhaps the mathematics, of the mutual equitable disarmament which we would all — including Mr Rogers, but I'm afraid he's not here — wish to see. We welcome particularly with the Ministers of the Nine, the French proposals for a conference on European disarmament.

It has to be said, though, that unanimity on how disarmament consistent with our safety may be achieved has hardly characterized the Community in the past week or so. The besetting question is whether arms limitation would be more likely to follow from the present highly imbalanced disposition of forces and weaponry, or from parity. Past experience from 1962 to 1963 of attempting unilateral nuclear arms reduction in Europe was no encouragement to us. The gesture was entirely, cynically ignored. To me the risks of trying it again, of remaining outmanned and outgunned, of disarming except from a position of parity or at least while moving firmly towards such a position, are simply too great to be run.

I ask you to consider the analogy of the game of chess, at which the Russian mind traditionally excels. That game starts on a basis of parity, but when superiority of perhaps a couple of significant pieces is obtained, the mathematics of a policy of mutual attrition or destruction become persuasive. It may be that Moscow wants something less violent, but there is nothing in her posture, or her past behaviour, or in her relentless pursuit of her present military superiority to indicate that. I should add that nothing looked more like a chess ploy than the token withdrawal of 1 000 tanks from East Germany a fortnight ago. The disarray that that caused in some of our Member Parliaments was entirely calculated.

Mr President, the Treaty that set up the Community enjoined us to strengthen peace. Unless this Parliament can make clear — because no-one else can — that it is the will of the people of the Community to protect and defend that peace; unless we can resist the exploitation by the enemies of democracy of the

very democratic freedom that allows discussion of our security at every political level, then the only peace we shall know is the peace of the prison camp, or the peace of the desert.

May I finish, Mr President by urging upon the Council of Ministers, especially in the development of a common foreign policy, the realization that we and they, Parliament and the Council can reinforce each other in what we do. It is something the Finance Ministers themselves might beneficially have understood. Together, with the Council, may we not develop a positive, active common foreign policy initiating, directing, and anticipating world events, rather than always reacting to them — often too late? I do not decry what has been done over the last six months, but the fact remains that once more this week, the Nine are in disarray over their own security, expressly because events have become their master. Madrid will be the testing ground of the success of the next Presidency in nourishing cooperation between the Council and Parliament. Together — and only together — shall we develop the democratic voice and will of Europe, and make them both heard and felt.

*(Applause)*

**President.** — I call Mr De Goede on a point of order.

**Mr De Goede.** — *(NL)* Mr President, in view of the decisions which Parliament took this morning on the requests for urgent procedure for the motions on nuclear weapons, I should like to protest against your allowing a Member to speak on the subject during the debate on an item in which, in my view, it was out of place. We are dealing with Dublin and not with Moscow.

7. *Electronic Voting*

**President.** — We shall now test the electronic voting system.

*(The President carried out the test with Parliament's help)*

I call Mr Patterson.

**Mr Patterson.** — The point of a roll call vote is that we wish to place on record how we voted. Would it not be preferable to wait for one and a half minutes, which, as I understand it, is the time it takes for the read-out, and then perhaps you could tell me from the record how I voted? Only in this way will we know whether the system works or not.

**President.** — I call Mr Johnson.

**Mr Johnson.** — Mr President, while we are actually waiting, do you think you could explain to us in terribly simple language what all the numbers really mean, including the last two?

**President.** — A document on the matter has been distributed.

The proceedings will now be suspended until 3 p. m.  
The House will rise.

*(The sitting was suspended at 1.15 p. m. and resumed at 3 p. m.)*

IN THE CHAIR : MR VANDEWIELE

*Vice-President*

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

I call Mrs Kellett-Bowman on a point of order.

**Mrs Kellett-Bowman.** — I wish to raise a point of order on the conduct of business yesterday, and I would like to make it absolutely clear that I make no reflection whatsoever on the Vice-President who happened to be in the Chair at the time.

As you will know, Mr President, when we have timed debates, a certain amount of time is allocated to each group. I would respectfully submit that when a debate is timed, the group should be entitled to the whole of its allocation of time, and that the speakers' list should not be closed. Because if a point arises during the debate which one particular, specialist member of the group wishes to speak on, it should be in order for one of the other members of the group to sacrifice their time, within the speaking time allotted, to enable that member to speak. The matter is obviously quite irrelevant in the case of an untimed debate, but I would respectfully suggest that when precise speaking times have been allocated to a group, there should be no closing of the list, provided the group keeps within that time. Yesterday some of us were perfectly prepared to give up our time so that Mr Hopper could speak, but we were not in fact allowed to do so. Could this be discussed by the Bureau?

**President.** — You are absolutely right. I shall pass your remark on to the Bureau.

I call Mr Howell on a point of order.

**Mr Howell.** — Mr President, this is a matter of urgency for Parliament. It has been drawn to my attention by the Parliament press office that the President recently kicked out all photographers and all television crews, and did so quite unilaterally, without informing this House of what she was doing. There is some concern in the press office that this is interfering with their own work, I would ask for a statement on the right of the press to work in this Chamber.

**President.** — During the last part-session there was criticism of the prolonged presence of a number of

photographers. The Quaestors were then asked to draw up an appropriate ruling. But this must not lead to blanket criticism of the presence of photographers.

I call Mr Patterson.

**Mr Patterson.** — Rule 11 states that 'members of the staff whose duties require their presence there' should be admitted to the Chamber. Until such time as the Quaestors have reached a conclusion, can I take it that photographers will be allowed onto the floor? Because it states specifically in Rule 11 that they are entitled to be here. It is clearly a matter of importance for Members and their local press that photographers should be allowed to take their photographs.

*(Mixed reactions)*

**President.** — The rule you refer to concerns the technical staff, but I note your remarks.

*8. Statements by the Council and Commission on the European Council — Statement by the Council on the Irish presidency (continuation)*

**President.** — The next item is the continuation of the debate on the statements by the Council and Commission on the European Council meeting in Dublin and on the statement on the Irish presidency.

I call Mr Segre.

**Mr Segre.** — *(I)* Mr President, before I start, may I ask whether it is conducive to the dignity of this House to begin the debate in the absence of a representative of the Council of Ministers, and whether it would not be better to suspend the sitting until the representative of the Council arrives.

**President.** — The reason why the Council is not present is that, in agreement with the Presidency, the President-in-Office is attending a meeting to discuss the budget. Of course he must attend the actual debate. He has sent an apology for his absence, but if it looks as though his presence is required for a particular item, we can ask him to come to the Chamber. I am sure the House understands, since he cannot be in two places at once.

Would you please continue, Mr Segre.

**Mr Segre.** — *(I)* Mr President, thank you for this clarification.

Ladies and gentlemen, on Monday afternoon the President of this Parliament told us that the President-in-Office of the Council of Ministers had informed her

## Segre

that he would be unable to be present at 9 o'clock on the morning of Wednesday 12 December to make his statement on the European Council and the six months of the Irish presidency in person and that in consequence the debate was to be introduced by the President of the Commission, Mr Jenkins. It seems to me that this matter was not given all the attention it deserved. I can fully understand all the difficulties that have arisen as a result of the political crisis in Ireland, the setting up within the last few hours of a new government, with a new prime minister, whom we greeted here today and who — according to what Madame Veil told us — is present in spirit at our debate.

Nevertheless, ladies and gentlemen, this too is a sign — I think — a new sign, though within certain limits and perhaps to some extent inevitable of that strange superiority complex, or that arrogance, or even perhaps just that boredom, which the Council of Ministers feels for our Parliament. A more glaring example of the same thing was provided — as Mr Colombo reminded us this morning at the end of the session — in the form of an unyielding 'no' by the Council to the budget.

I should not have recalled this little incident now if the report which the new President of the Council has presented to us had been different, that is, if he had not read to us — which is obviously not his fault, since he evidently inherited this report from the staff who had also served the previous President — a statement which seemed as contradictory to me as it was bureaucratic. Contradictory in the two parts into which it was divided, the first being a cold, almost insipid account of what happened at the Dublin Summit and the second, which saw things completely, or almost completely, through rose-tinted spectacles, dealing with the results achieved during the six months of the Irish presidency. I might almost be tempted to wonder whether the delay with which the President of the Council appeared before this Parliament was not a mere reflection of the fact that in order to come here he had to make a journey which was significantly longer than what was needed merely to cover the physical distance between Dublin and Strasbourg, rather than the consequence of the understandable obligations deriving from his taking up his ministerial post, in view of the fact that the statement which the Council submitted to us really seems to have been drafted by someone who has not been living on this earth during the last ten days, and has not read the newspapers nor listened to the radio nor watched the television nor read the statements of the valrious parties to the dispute, but has instead spent the time on the moon.

Why is there such a gap between the picture which the President of the Council has sketched for us and

the reality which we have before our eyes, why this unenthusiastic tone, without warmth, political passion and above all without that touch of drama of which we are all aware and which is characteristic of European and world affairs at this tormented end of the year 1979?

Mr President, ladies and gentlemen, we are already on the verge of the year 1980, hardly 20 years away from that magic date, the year 2000, which scholars, poets and philosophers have so often in the past treated as a kind of major staging-post in the history of the progress of mankind. Reality however appears, as perhaps it has never appeared before in the past, to be dominated by a complex of serious crises and ever more acute and more intolerable contradictions: if we do not at least make an attempt to find positive solutions for these crises as part of a new international order there is a strong risk that they will trigger off an apocalyptic end for the whole of mankind, as someone said only a few weeks ago at the United Nations.

There is, of course, no need for me to remind you of these crises and contradictions and all the risks of social convulsion which they imply. Nor do I need to remind you — we discussed it, or rather, we didn't discuss it, this morning — of that Kafkaesque complex of irrational absurdities, which are responsible for the fact that at the very moment moral, humanitarian and political alarm bells are sounding — in our Parliament too — with regard to world hunger, a new and dangerous qualitative step forward has been taken in the arms race. These are all things — ranging from the energy crisis to monetary disorders, from 'stagflation' to increasing unemployment — which by now are established features of our daily lives and are coming more and more to be typical of the whole of Europe.

Europe — and here I come to the political aspect of the matter, Mr President — is not extraneous to this crisis: it is experiencing it within its own borders as also in its relations with the outside world. But what was the reply which the European Community gave to this complex nexus of crises at the Dublin Summit? The reply was one of impotence and even of resignation. The only thing the Summit was capable of, in order, in view of the British Prime Minister's offensive, to head off a serious breakdown of Community solidarity, was to fudge the issue, to take no decision whatsoever and consequently to disappoint everyone's expectations and, in effect, to close their eyes to all these problems. With regard to its own internal problems, and first of all its economic and social problems, the perverse effects of the present agricultural policy and the divergence, or rather the convergence, of national economies and on the problems of a more and more restless world, the

## Segre

Europe of the Dublin Summit had nothing appropriate to say and did not say anything. This is a sad and even humiliating thing to admit, but it is the truth. At his Dublin rendez-vous — this is what people have been saying recently — Emperor Europe was seen to have no clothes and what is more his own weaknesses, contradictions and egotisms were revealed for all to see, just as his lack of political will power and his lack of ideas could no longer be concealed.

The report which was presented to us this morning provides one more piece of evidence of this impotence. I give notice to the President of the Council that he could not — and that, at the most, he could only have done so by twisting reality — have presented us with a picture that was less grey and less bureaucratic because these were the characteristic colours of the Dublin Summit.

But here we come up against another political fact which is not less negative or rather, which is even more negative: impotent to deal with the crisis, incapable of producing ideas and defences to deal with the crisis which is paralyzing the Community and which is hindering the process of construction, the Council has opted instead for aggression — as both Mr Ruffolo and Mr Colombo reminded us this morning, though of course, in different terms, — in the most ill-chosen area of all, keeping up a constant barrage of opposition to any and every suggestion for innovation that has been put before them by our Parliament in connection with the draft budget.

At this point we must admit that it was not just a question of short-sightedness; there was short-sightedness, but in addition there was also a negative political will, concentrated on the one hand on retaining, come what may, attitudes which are to such a large degree responsible for the present crisis and, on the other hand, frustrating or suffocating at birth a Parliament which, in spite of the diversity and the plurality of its various political attitudes, has — and we hope that it will be profoundly aware of this fact — the right and the duty, *vis-à-vis* the voters of 10 June, to safeguard and to reassert its own autonomy and credibility and to interpret in a responsible manner its own functions before the forum of the peoples of Europe.

And here, Mr President and ladies and gentlemen, the matter begins to involve us as it involves the political forces; in the first place it involves those political forces which wish to cooperate in the construction of a rejuvenated Europe in the field of civil, economic and social progress, a Europe capable of fulfilling its mission of justice and peace in the conviction that it must either take this route or decline into decadence.

We cannot resign ourselves to accept the impotence of the Council when faced with the problems of the

Community and of the world, nor can we yield to the aggressive attitude which it has adopted with regard to this Parliament. The seriousness of the present crisis makes it incumbent upon the political forces in this House to make a real and genuine quantum leap forward, because at this moment it is on these forces and on this Parliament that there rests the heavy and serious responsibility of being able to say to the peoples of Europe, even after Dublin, that the impotence of the Council and the incompetence of the Commission, as they were shown up this morning in Mr Jenkins's report, are not the last word or the last hope and that there are in Europe forces capable of revealing to the Community a different and less gloomy outlook.

For this reason we feel that the need for a confrontation, for a dialogue, for an attempt at convergence between the various forces work inside and outside this Parliament for the purpose of finding a more positive future for Europe and consequently a profound renewal of Europe, is more urgent than ever.

How, for example, can we seriously think that Europe has anything of value to say in the North-South dialogue if the very same Europe is not capable, internally, of seriously tackling its own North-South dialogue, that is to say, of dealing with its own regional imbalances? Someone rightly remarked here that the problem of the convergence of the Member States' economies would not be such a serious one and the problem of the budgetary imbalances of which the United Kingdom is complaining would not be raised in such terms if in the past the Community had managed its own policies in strict conformity with the principles and the aims set out in the Treaties and, above all, in conformity with the need to reduce regional disparities and promote a harmonious development of economic activity throughout the whole of the Community. It is just as true that the common agricultural policy, as it has so far turned out, has itself ended up by working in exactly the opposite direction from that needed to achieve the objectives of economic convergence.

Of course there is nothing new about this. Today is not the first time that we have recognized, in words at least, that the solution of these problems is of fundamental importance for the survival and the development of our Community and that the existence or the non-existence of a real Community and of a genuine wish to take serious steps towards the construction of Europe can only be measured by whether or not these problems are being dealt with. But if this is the case, then our view of the Dublin Summit should be all the more severe, as also our view of its lack of imagination and its lack of genuine political will.

## Segre

A short while ago I mentioned political forces. This morning we heard Messrs Ruffolo and Colombo speaking in worried tones of serious danger. Time is running out and the problems are getting out of hand. In the end we are going to have to show that we wish and are capable of rising to these challenges.

This is our responsibility as a European Parliament. We Italian communists, Mr President, ladies and gentlemen, are aware of what is at stake. We shall not back-track but instead we shall attempt seriously and deliberately to rise to the challenge of these difficult times and we shall make a spirited attempt to see that a will for renewal capable of overcoming all the impotence, the frustrations and the resistance which Dublin was a further proof of prevails in this European Parliament.

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

**Mr Bangemann.** — (D) Mr President, I should like to make three very brief remarks concerning the statement by the President-in-Office of the Council on the meeting of the European Council in Dublin and, first and foremost, state my opinion with regard to the question which took pride of place during these deliberations, i.e. the attitude and demands of the United Kingdom and the conclusions we must draw.

It is not, in my view, a mere coincidence and purely because of the United Kingdom that a problem has arisen. What we are faced with is, I think, a general problem of Community policy, i.e. a discrepancy in our budget between revenue, the latter of which is entirely organized on a Community basis, i.e. the proportion of VAT, the customs duties and the monetary compensatory amounts are all covered by a single Community regulation which is applied strictly in accordance with Community principles. However, this stringent adherence to Community principles is lacking on the expenditure side. This is due, quite simply, to the fact that the agricultural policy which is the only Community policy of any relevance to the size of the budget, operates unfairly in the interests of certain countries and, as a result of the structure of the expenditure, puts other countries at a disadvantage. Thus, there is the discrepancy that on the one hand, i.e. as regards revenue, the Community expects all the Member States to accept the obligations arising from a sense of intra-Community solidarity, without there being any evidence of similar Community solidarity as regards expenditure. In principle, the objections raised by the United Kingdom are perfectly reasonable and we must do something to remedy the situation. However, the conclusions drawn by the United Kingdom government are wrong. We must not give

up this sense of Community solidarity as regards revenue, but we must introduce it on the expenditure side. It would be a bad thing for the Community if we were to make changes on the revenue side in order, for example, to satisfy the principle of the *juste retour*. Mr Colombo quite rightly pointed out this idea is completely off beam, since it would lead to a situation whereby the Community would degenerate into a sort of savings bank where people get more or less the same out at the end of the year as they paid in. This cannot be what those Member States who are at a greater disadvantage than others have in mind either, since they would only get back what they had already paid in.

I think, therefore, that we cannot accept this idea and I should like to say on behalf of my group that anyone who wishes to introduce this idea of the *juste retour* into Community finances wants to destroy this Community since in reality the *juste retour* has nothing whatsoever to do with justice. It is no different from the 'every man for himself' attitude and anybody trying to build a Community on this principle is doomed to failure. A Community must be built on the basis of solidarity. That was the first point I wanted to make regarding this meeting. Secondly, I should like to say a few words on the question of the agricultural policy since this plays a major role in our budgetary debates here in Parliament.

I repeat once more, at this particular moment, when the Council is faced with the difficult task of trying, with our delegation, to find a solution to the conflict, we should not rely exclusively on the budgetary measures adopted by the majority in connection with both the third supplementary budget and the budget for 1980, since these will not enable us to solve the basic structural problems underlying the agricultural policy. We must revamp the agricultural policy itself in such a way as to separate the two conflicting aims, which at present are inextricably related, so as to eliminate the conflict. We must make the social aspect of the agricultural policy independent of the market organization aspect proper. There are small and medium sized family farms which will need support from an agricultural policy, particularly in the less favoured areas. On the other hand, there are large holdings which misuse aid of this kind and produce surpluses which cost us money. If we do not succeed in keeping these two aspects separate, if we do not succeed in keeping the social aspect for the small and medium-sized holdings distinct from the organization of agricultural production as a whole, we will not be able to arrive at a solution, even if the Council were to accept our proposals in their entirety.

We would, I repeat, be making a big mistake if we were to think that what we have already decided is

**Bangemann**

enough to solve all the problems I am prepared to say on behalf of my group that it is our wish to join the majority in this House in thrashing out this conflict and to lend our support to a common position with a view to solving the conflict between Parliament and Council. I should like, however, to sound a warning once more against falling into the trap of thinking that budgetary measures alone are enough to cope with the problem of surpluses.

I would like to have made my third observation in the presence of the President of the Council who is, after all, an old colleague of ours. However, I fully understand why he cannot be present at this moment and he will no doubt be informed of what I say. I have no wish to criticize the Irish Presidency, but I should nevertheless like to point out to the Council as a whole that there has been a qualitative change in the dialogue between it and Parliament. It is true that we have often had the feeling in the past too that the Council always presented Parliament with polished, polite and diplomatic formulas. However, we always got the impression from these formulas that basically the Council was only trying to be friendly and polite, whereas in reality it did not really take Parliament as seriously as Parliament required. This was perhaps all very well in the past, but is unacceptable today. If the Council intends to continue in the same way in the future, we will indeed have an institutional crisis on our hands for which Parliament will be in no way responsible. For this reason, I should like to take this opportunity of asking the Council to take a serious view of this Parliament's wish to continue the institutional dialogue on a new political level.

We are not a constitutional oligarchy. The Council must not go on thinking that it is an independent nine-part body which might have to make the odd gesture to Parliament. We are a parliamentary democracy and the Council must take part in democratic dialogue in the same way as Parliament. It must not resort to fine-sounding rhetoric, as the Council of Agricultural Ministers did at the end of its statement. There is no longer any point in our exchanging polite phrases and thinking this takes care of Community policy. We must really get things done on a joint basis. We must make decisions. We must make progress. I would like to have said this in the presence of the Irish President of the Council since I think that he has most probably not entirely forgotten his parliamentary turn of mind since he moved from the Parliament to the Council, as this was in fact merely a question of changing hats. Sometimes it is exasperating. When a member of Parliament becomes a minister one often gets the impression that he has not only changed hats, but his convictions too. However, I am to a certain extent confident that the President of the

Council will manage not to forget entirely his parliamentary past — and I mean this quite seriously. If we are obliged to reject the budget tomorrow, this will not only be a crisis for the Community and we must both do what we can to prevent this crisis. I hope the Council will take its decision with this in mind this afternoon.

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

**Mr de la Malène.** — (*F*) Mr President, it is a pity my friend Brian Lenihan is not here, because I should of course have liked to express my pleasure at seeing him opposite me occupying the chair of President-in-Office of the Council. However, I appreciate that his responsibilities in his new position mean that he must of necessity absent himself from the Chamber for a short time. I am sure he knows what I feel about his new promotion, and I am equally sure that even outside this Chamber, he will get to hear the words of welcome and congratulation I should like to offer him as chairman of his old group.

Mr President, I have been given leave by my Group to make a few comments on the subject before us today. We very much regret the failure of the European Council in Dublin. We sincerely hope that the setback will only be temporary and that other European Council meetings will erase its memory. However, the failure of the Dublin summit has given us some cause for concern, and it is that I should like to base my remarks on today.

There are, Mr Lenihan, so many subjects on the international scene that would warrant the Council's attention, and the same goes for Community concerns: we have only to think of the indispensable Community energy policy; then again, there is the rather less fundamental but still important, problem of the Community fisheries policies; then again, there are the problems in the sheepmeat sector, and I could go on and on in this vein. But no, the Dublin Council concentrated almost exclusively — and, as far as public opinion is concerned, absolutely exclusively — on our British friends' contribution to the Community budget. That is the first worrying point.

Our British friends have said, in the person of their Prime Minister — and I am of course simplifying matters somewhat here — 'the British contribution to the Community budget is too high on the one hand, and on the other hand, the United Kingdom is benefiting too little from the Community budget'. This attitude, which has once again occupied the lion's share of the Council's attention, gives rise among the members of my Group to surprise, wonderment and serious concern.

## de la Malène

Let me start with the feelings of surprise and wonderment — the former because of the nature of the problem, and the latter because of the methods which have been adopted. As far as the substance of the problem is concerned, ladies and gentlemen, we regard the Community as something more than just a balance-sheet, or a profit and loss account. To our way of thinking, there is more to the Community than just an attitude of 'you scratch my back and I'll scratch yours'. As far as we are concerned, the Common Market is not just a balanced budget, a simply free-trade area; for us, it is a major oasis of solidarity, where common policies are pursued because all concerned agree that they should be pursued jointly. It is a whole new dimension for human activities, production and research. It is certainly not a narrow concept to be expressed in mere budgetary or book-keeping terms. Hence our reaction of surprise.

Our sense of wonderment, ladies and gentlemen, was due to the methods that have been adopted in this case. The Treaties which bind us and which are a law common to all of us, were freely negotiated. Our British friends even managed to negotiate them twice over. It is difficult to see how the British can effect surprise or coercion. Nothing new has happened. There has not been any new decision creating a new situation. Are there therefore really any grounds for holding a third round of negotiations?

Do our British friends think, by any chance, that the treaties, the commitments and the regulations are renegotiable in perpetuity by the United Kingdom, that the Community should honour its commitments on the one hand and leave the United Kingdom free to renegotiate whenever it feels fit? There is a question mark hanging over the future of the Community, and we should like to see it dispelled.

Of course, no-one should get the impression from these rather abrupt remarks that we are not open to reason and that there is no need to face up to current economic difficulties. We are quite ready and willing to help in overcoming short-term economic difficulties, but only on condition that this help is of a temporary nature and that it will not directly or indirectly call into question the very principles and achievements, of the Community, and all that we have done, negotiated and signed together. That is our second major cause for concern.

Apart from these concerns, we are also rather worried — a rather less basic point perhaps, but non the less — about our British friends' thinking on the Community's revenue and expenditure.

Let us start with the question of expenditure. The Community budget, our budget, is no way comparable with a national budget. Unlike national budgets, it is not a levy on the citizens' resources in order to meet all the necessities of collective existence; on the

contrary, it brings together the resources needed to implement only those policies which have been decided in concert. We have set up a common agricultural policy. Of course, it costs money to run, so it was decided — in concert — to raise the necessary resources. This revenue is directed, as a matter of priority, to the needs of the appropriate common policies. Under the terms of the Treaty, the Community's resources — own resources or VAT — have not been granted by the Member States to set up new policies. If that were to happen tomorrow, all the better; but such policies would still have to be financed. The Community's resources — as I said just now — came from the Member States to finance those policies which were already decided upon, and which very largely represent the implementation of the Treaties and all the Community's past achievements and decisions. As a result, this concept of resources and expenditure places a restriction on any new uses and rules out the notion of getting back what you pay in.

So much for the expenditure side of the budget. Let us now move on to deal with revenue. Our British friends claim that they are having to pay too much into the Community kitty. Our response to this complaint must be that if the British are indeed paying proportionately more than the others, the fault certainly does not lie with VAT, but rather with the customs duties levied on agricultural produce which the British buy in from outside the Community. Let us reiterate the point that we are not a free trade area; we are a Common Market, and Community preference is the very basis of our Community. If the British would only buy in their supplies from within the Common Market, the agricultural surpluses would be reduced as well. This would work two ways: it would be a good thing for the common agricultural policy, and the British contribution to the budget would be reduced by the same amount.

My second comment is that if we did succeed in reducing the present agricultural surpluses, we should not delude ourselves into thinking that that would automatically reduce the substantial contribution to the Community budget payable by our British friends. It would of course reduce their VAT liability — the same goes for all the Member States of the Community — but they would still have to fork out more than the others because — still on this point of the Community's own resources — they would continue to import foodstuffs from outside the Community. In other words, the question of agricultural surpluses is neither here nor there; the fact is simply that the British are being called upon to make such a large contribution to the Community budget because they import more in the way of food than the others.

*(Applause from certain sections of the Group of European Progressive Democrats)*

Mr President, I could go on at greater length about all the things that concern us, but the really worrying aspect is not so much the financial problem — although we have our view on that too — as the conception that our British friends seem to have of the Community budget. If this unfortunate Dublin Council is to serve any purpose at all, it should at least give us a useful respite, a time to reflect and concentrate on the essential points, which are that the Treaties have been signed and everyone said that they were prepared to respect the Community's past achievements and decisions, including the common agricultural policy and all the other things. That being so, we must draw the logical conclusions. We cannot have two systems based on different principles existing side by side. We must be logical in our thinking. When all is said and done, all the Member States signed the Treaties and agreed to participate in a Common Market. We all agreed to pursue a common agricultural policy. We must draw the logical conclusions from these facts. That is why, Mr President, we hope that these conclusions will indeed be drawn at the next European Council.

**President.** — I call Mr Blaney.

**Mr Blaney.** — Mr President, I shall address myself to just a few of the points that were raised by Mr Lenihan in the statement that he made to the House. It contains various references to Community imbalances, and I would say that these imbalances are rather surprising, in that they are increasing, rather than diminishing. This is in total contrast to what we have expected from the activities of the European Community. If we continue, as we apparently are insistent upon doing, to give the greatest help to the those areas that require it least, while failing to give sufficient help to the areas that require it most, then the situation will continue to deteriorate, and the great attraction of the whole concept of the European Community will diminish — I was going to say 'continue to diminish', but let us say it will diminish — in attraction.

We have talked of the budget and of the ceiling to that budget. I would suggest that this Parliament should think rather in terms of the budget being conceived in relation to the needs and objectives to which Parliament would wish to devote the money raised by the Community. If the ceiling is not sufficiently high, then if the purposes for which the money is required are good enough, and merit a consideration, surely we should be talking about raising the ceiling, rather than constricting the budget. We have been trying to spend money wisely and in conformity with the basic European Community concept of bringing up the level of the less well-off countries and regions to match that of the better off, but we have not been succeeding. Rather we have been failing, even though the interim places may be

somewhat better off than they were at the outset of this great movement.

We have mentioned the Dublin crisis. I do not know that we should call it a crisis, but it does highlight one thing — that if we consider that we must relate exactly what we put in to exactly what we get out, then, in a sense, we negate what this whole Community is all about. That is not to say that I would not wish, if I felt it were right and proper, to support the British claim that they should have their payment reduced. But I would appeal to them as the last speaker did, to look at what they are doing to bring about the situation themselves by not giving preference to Community produce in the way that it should be given, and bringing in — however good may be their reasons — commodities which are already in surplus. This is creating a drain on the finances and resources of this Community, and that is probably one of the basic reasons why there is so much talk about getting near the ceiling in the budget. If we go on ignoring the preferences that we should undoubtedly be giving to each other's produce, and going for third country produce instead, then we must come to the point where we begin to ask ourselves; what is this Community all about? If on the one hand, we have dismantled barriers and duties and tariffs in order that industrial goods may move more freely between the Member States, is it not proper that those who depend on the basic agricultural industry of the Community should be given the opportunity to sell their produce at the highest prices within the Community, and not find themselves in surplus, and as a result of being in surplus find themselves branded as the people who are causing the greatest unnecessary expenditure in the Community's budget? We should have a look at this; instead of talking about 70 % of our Community budget going to the CAP, we should be talking of somewhere around 40 or 45 %, because too much of that 70 % is not directly attributable to, nor is it going to the benefit of, the farming and agricultural community or industry. It just is not fair to be talking the way we have been.

Human rights are referred to in this document, and so is terrorism. As has rightly been said, it ranges from Iran to Kampuchea, from the Middle East to South-East Asia in deploring the denial of human rights. I would just say quietly and calmly here that it is about time this European Parliament looked nearer home, to my country, where we do not enjoy human rights. As a result of our being denied our human rights, terrorism reigns there also. Unfortunately, while we are denied the right of self-determination, that terrorism will be part and parcel of our daily lives.

I would say also that the treatment the Regional Fund has been getting from the Council is disgraceful, to say the least. So far as the Social Fund is concerned, it is a joke — and not a very good joke at that. I would

**Blaney**

hope that in the coming year, when this elected Parliament will, for the first time, have full control in putting together its new budget proposals — which it did not have this year — we will do a better job. On that note, I hope some way can be found out of the dilemma that we seem to find ourselves in at the moment *vis-à-vis* the Council, and that there will be a greater recognition by the Council in the future of the role that the delegates elected here by 260 million people are entitled to have, rather than being swept aside as if we didn't matter.

**President.** — I call Mr De Goede.

**Mr De Goede.** — (NL) Mr President, in recent months I have repeatedly complained that this Parliament spent too much of its time on small issues and too little on the major problems of our Community. However, this picture has changed drastically since the beginning of November as is clear from, for example, the agenda for this part-session which includes no less than three major problems, not to say conflicts or crises. Between yesterday's budgetary debate in which it was threatened that the draft budget would be rejected, and tomorrow's debate Mr von Bismarck's report on the disturbing economic prospects for 1980 — I need only mention inflation and unemployment to make my meaning clear — we are discussing today the near-failure of the European Council in Dublin. Who will deny that the British problem very nearly caused a serious Community crisis in Dublin? As far as I can see, all that was achieved was a postponement of the problem to a subsequent meeting of the European Council. But when? January? February? March? I do not think that there is any real chance at the moment of solving this problem.

We as Parliament have finally got what we wanted: we are discussing the major problems. However I should add straight away that this is a fairly unpleasant duty. All the same, it is not something we can get out of and it is good that Parliament should state its opinions as it in fact did before the Dublin meeting.

The United Kingdom is asking for its contribution for 1980 to be reduced by 1 500 to 1 800 million EUA and by corresponding amounts for subsequent years. The talks in Dublin were, I think, rather hindered than facilitated by the indications given by the various Member States before the Dublin summit that they understood the British position. Presumably Mrs Thatcher interpreted these indications as meaning that a piece of hard negotiating would lead to complete success. However, she miscalculated since even if the maximum possible use were made of the Dublin mechanism, this would still permit only one third of the British demand to be met. Anything more — and this is where the difficulties start — would only be possible a) by means of a net transfer, which would be

contrary to the basic principles of the system of own resources, or b) by adjusting the Community policy to bring it more in line with the needs of the United Kingdom, which would require either substantial additional contributions from the other Member States — this point was not discussed — or would involve a radical revision of the existing Community spending mechanism. On top of all this, there was the additional problem of the reductions in agricultural expenditure.

I should like to put a few questions and make a few remarks on the basis of the communiqué. Firstly, it states once more that the European Council has discussed the serious situation as regards unemployment in the Community. According to the communiqué, a more coordinated approach to employment problems must be worked out. Where have I read that before? In previous communiqués from the Council perhaps? And are we to conclude from the Council's invitation to the Commission to submit proposals that the Commission has so far failed to do so? I refuse to believe that.

By far the most important passages in the communiqué are, of course, those dealing with convergence and budgetary questions. I should like to ask a few questions on these matters. According to the communiqué the Council has agreed that the Commission proposals concerning the adaptation of the financial mechanism could constitute a useful basis for a solution which would respect Community achievement and solidarity. This solution should not result in raising the 1 % VAT ceiling.

What is meant by a 'useful basis'? Is this reference to the 520 million EUA mentioned earlier? According to Mrs Thatcher it is, according to Mr Giscard d'Estaing it is not. This point must be clarified.

Does the phrase 'Community achievement' refer to the system of own resources? Does 'solidarity' mean that all the countries must contribute? 'This solution should not result in raising the 1 % VAT ceiling'.

Does this mean that in other situations in the future there may well be question of an increase in the VAT ceiling? These are, I think, obvious questions to be asked and I hope that the Council and/or the Commission can answer them.

That is not all, however, since Dublin will inevitably be followed by a new European Council and with this in view, the Commission is requested to pursue the examination of proposals for developing supplementary Community measures. My question is not whether there is any truth in the rumour that it is the financing of a Channel Tunnel which they have in mind, but what sort of indications there are that the Commission may be expected to come up with proposals which might lead to a solution since, it is stated quite explicitly in the following passage that 'the Presi-

**De Goede**

dent of the Council will convene the European Council as soon as the conditions for such a meeting have been fulfilled'.

What does this mean? That there are real prospects of finding a solution? And, that, if not, there are no prospects of a new European Council? It is stated in a subsequent important passage that solutions must be found for the problems of fisheries, energy and organization of the market in sheepmeat. Does the solution of the British problem depend on a solution first being found to these problems?

I must, I think, stop asking awkward questions since the Commission and Council will, I think, already have a hard time trying to say something worth saying on the points I have just made, although this is what I expect from them.

Finally, under the heading 'report on European Union' the communiqué sings the praises of the progress which has been made in the Community and quotes three examples, i. e. the accession of Greece, the establishment of the European Monetary System and the direct elections to the European Parliament!

In view of the conflict which is threatening to flare up between the Council and Parliament, quoting the direct elections as one of the great achievements of the year sounds practically like a piece of sarcasm on the part of the Council at this time. The progress which has been made towards European Union, has, however, been accompanied by a number of serious threats, for example, Dublin, for example, France's failure to observe the salt convention, for example, the disturbing economic situation which we are to discuss here tomorrow, and, finally, the threatened rejection of the budget.

I do not think it is an exaggeration to say that we are in a precarious situation. I go along with the statements regarding Iran and Cambodia and should like to conclude by saying that we are currently in an extremely difficult situation and that the only way of coming to terms successfully with the problems of today and tomorrow is if we, i. e. not only all the Member States, but all the Community institutions too, act as a Community.

**President.** — I call Mrs Castle.

**Mrs Castle.** — Mr President, anyone who reads the Dublin Communiqué must doubt the power of survival of the European Community. Seldom have I read a more superficial document. With all respect to the two presidents who addressed us this morning I felt, as I listened to their attempt to justify the lack of achievement of the Dublin Summit, that it was like listening to the voices of institutions that are dying, if not already dead. Because what is the present situation? On the one hand there is a Europe drifting deeper into crisis, yet all that the Heads of Government could offer us were pious platitudes and a conti-

nuation of the negative, destructive, monetarist policies which have created the present world recession, and can only go on deepening. There is no hint from them at all of any long-term plan for economic and social development for which we in the Socialist Group have pressed. On the other hand, Mrs Thatcher is already in retreat from her great reforming drive to rectify the injustice being done to Britain by the present policies of the Community.

Mr President, the two failures are interlinked. Because, you see, Britain's problem is part of the Community's wider malaise, namely its endemic inability to reform itself. Mind you, I am not surprised that Mrs Thatcher's fellow Heads of Government found her behaviour irritating; her constant reiteration of the theme 'it is my money, I want my money' was not only graceless, it was intellectually vulgar too, because Mrs Thatcher must have known that when she voted for Britain's accession to the European Community she was voting for the eventual introduction of a system of own resources, and she voted to take certain decisions out of the hands of the British Parliament.

I did not vote for it, but she did. So no wonder she got a cool reception for her reinterpretation of recent history. And yet, when she was offered a derisory £ 350 million almost contemptuously, she backed down at the eleventh hour. Willing to nag, but afraid to fight. When the Russians called her 'the Iron Lady' they flattered her. So we are left now with the worst of both worlds! Mrs Thatcher has managed to create deep resentment against Britain in the Community, and yet she is no nearer getting the broad balance for which she quite rightly asked.

But I must warn the House that despite Mrs Thatcher's mismanagement of the negotiations, Britain's budgetary problem will not go away. Not only does it show the Community's inability to take the question of convergence seriously, it puts an intolerable burden on the British economy. And as I listened to Mr de la Malène I realized that this Parliament has never begun to grasp the difficulties with which Britain has been struggling as a result of her membership of the Community. We have had to accept free trade in manufactured goods while switching our food imports on a massive scale from cheaper sources of food outside Europe to dearer ones from inside the Community. That is a switch bigger than any member of the Community has ever had to make, and as a result our balance of trade with the Community has deteriorated rapidly. In the very first year of entry our trade deficit with the Community doubled to £ 1 200 million, or nearly 2 000 EUA. In 1974 it almost doubled again. Between 1973 and 1978 we had accumulated a massive £ 11 752 million trade deficit with the Community, over 7 000 EUA. And before people say: 'Oh well, that must have been due to inefficiency in Britain, what are you complaining about?' let me

## Castle

point out that last year Britain had a surplus of £ 1 000 million in her trade with the rest of the world. But that surplus was more than swamped by our deficit with the Common Market countries, leaving us with a serious overall balance of payments deficit, and yet next year we are doomed to become the largest net contributor in that situation, without any recognition from our fellow members of the Community of the burdens this puts on us. So it is hardly surprising that the British people's patience is beginning to wear thin, and this mood was expressed vigorously the other day by the distinguished pro-market journal *The Economist*.

I would ask those who have taken this problem more lightly than they should to realize the significance of that kind of development in showing the way the mood in Britain is running now. First of all, *The Economist* pointed out that Mrs Thatcher had in fact pitched her demands for a rebate on her contribution too low, because of course our net deficit is considerably more than £1 000 million, taking into account the higher prices we are having to pay for our food from the Community. We shall next year be making a cash transfer to the Community of £ 1 400 million in foreign currency and this, *The Economist* reminds us, will represent one-eighth of our government's annual borrowing requirement, three-fifths of the net foreign exchange earnings of the City of London, nearly three-quarters of next year's estimated current account deficit on the balance of payments. And yet Britain is being blamed for being in economic difficulties. So this intolerable burden, *The Economist* as only one voice among many, insists must be eliminated. We cannot just play with this; it must be eliminated. And it can be eliminated within the financial procedures of the Community. The figure of 350 million which Mrs Thatcher has been offered was reached by suggesting alterations to the corrective financial mechanism. The trouble is that that adjustment suggested by the Commission takes no account of the fact that Britain's national income per head is only 76 % of the Community average. On the Commission's own figures, if the financial mechanism were to be adjusted to take account of that discrepancy, the reduction in Britain's contributions would not be £ 350 million but £ 650 million, and we should be halfway towards the broad balance between receipts and expenditure that we rightly claim.

Can this Community really continue to allow a poorer nation to subsidize the richer ones? And can we continue to allow Community spending to be so distorted by excessive spending on the Common Agricultural Policy? Because that is what is responsible for the other half of Britain's huge deficit. The House knows the figures, I will simply remind them of them: next year Britain's share of Community spending will be 8.5 %; France's nearly 20 %; Germany's 23.2 %, and we all know the reason, namely the expensive hold the CAP has on Commu-

nity policies. Everyone bemoans this imbalance. The Commission was doing so again this morning. Everyone talks about the need to get rid of it.

But when one has listened to the speech of Mr Früh yesterday and read the flabby statement issued last Monday by the Council of Agricultural Ministers, can anyone really believe there is a serious prospect that the CAP will be reformed fundamentally? Certainly not this year to the extent we need. So other adjustments have to be made this year. I certainly agree that this Parliament has a legitimate grievance against Mrs Thatcher's Government. When last month this Parliament voted amendments to the budget to cut agricultural spending on the dairy surpluses, those cuts were actually opposed by the Council of Ministers including Mrs Thatcher's Treasury Ministers, Mr Nigel Lawson. So much for Mrs Thatcher's professed desire to get a better balance of spending by the EEC. And there is the same hypocrisy over regional policy. While British Conservatives here claim there ought to be more spending on the Regional Fund to help countries like Britain, their own government at home is making that impossible because Britain's Minister of Industry announced only recently that certain areas in Britain are to lose their entitlement to national regional aid over the next three years. National Regional aid is to be cut by nearly a third, and as everyone knows, that means a widespread and costly loss of matching regional aid from the European Community. So I can understand Parliament getting irritated by Britain's moans when apparently we do so little to take advantage of the kind of resources the Community is ready to offer us. Nonetheless, we are dealing here with a question of principle.

Just because Britain has a government which is pursuing damaging policies, that is no reason why the Community should keep unfair burdens on us, and so give Mrs Thatcher the alibi she so desperately needs. Nor, I must say to the President of the Commission, will the temporary *ad hoc* measures of benefit to Britain, which he hinted at — things like the Channel tunnel or agricultural improvement schemes — do anything to cure the decline in the British economy, nor incidentally, would membership of the EMS into which the President of the Commission is trying to pressurize us. Britain is in the grip of a deep recession caused by savage deflationary monetarist policies, but this Community must leave the British people to deal with that. That is the meaning of our democracy. What we ask for is justice, and it can be achieved within the Community mechanisms. Why, for instance, has the Council just ignored the Lange report on this problem presented on behalf of the Committee on Budgets for our debates last month, which called for a new and lasting system of financial equalization between Member States? That is what we want, but it must cover the two aspects of Britain's case: the excessive contribution and the inadequate spending by the Community. Mrs Thatcher may have abandoned the battle field, as Mr Scott-Hopkins seems

### Castle

to have done, but we in the Socialist Group have not. We know that without the adjustments that I am talking about, there can be no justice. Without justice there can be no convergence, and without convergence the Community will slowly but surely disintegrate.

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

**Mr Blumenfeld.** — *(D)* Mr President, I had hoped to have the pleasure this afternoon of welcoming our former colleague, Mr Lenihan, now the Irish Foreign Minister, and of saying how very pleased we are to see him back in this Chamber and to have the chance of debating with him. Unfortunately, urgent business has prevented him from listening to our debate in person. I am probably not alone in feeling sometimes as if I were speaking to a brick wall with a built-in recording device, which every now and again is played back to the President-in-Office of the Council. I do not mean, of course, to dismiss the highly qualified Council official as a mere recording device, but the fact remains that this, I think, is only too typical of the way the Council still treats the European Parliament. I think it is high time — and I hope the President-in-Office will take this as being addressed to the institution and not to him personally — this House clearly and solemnly warned the Council and also certain Members of the Commission that we intend to be taken seriously, otherwise this House will have to draw the necessary conclusions *vis-à-vis* the other Community Institutions.

In saying this, I have in mind the meeting of the European Council in Dublin and the statement the Council has made to us, although I would point out that we are aware of the particularly difficult situation with which the Irish Presidency has been faced these last weeks and months. However, the mistakes and shortcomings of the Dublin Summit are just one more link in the chain of unfortunate events over recent months and years, and — I think — evidence of the fact that the Council believes it need not take this Parliament seriously, and can treat it as just some kind of consultative assembly.

But I could not help thinking that Mrs Castle would have been better advised to deliver the speech we heard just now in the House of Commons.

*(Applause from certain quarters on the right)*

I get the impression, Mrs Castle, that you have not yet quite grasped the full significance of your job as a Member of the European Parliament. I have no doubts as to your political astuteness and forcefulness; but your arguments betray a confusion as to what should rightly be said in the House of Commons and what belongs here in the European Parliament. For instance, you included the European Parliament in your attacks on the British Prime Minister — which I

shall not comment on here, because there will probably be others who will. Let me just point out to you that, in view of the difficulties facing the United Kingdom, the European Parliament has put forward a constructive proposal in the form of the introduction of vertical financial equalization. Unfortunately, the Dublin Summit took no notice of this proposal. Vertical financial equalization would have required the United Kingdom to contribute to the Community budget as before, but the money would have been returned to the United Kingdom and other deserving Member States by way of an equalization system forming part of the Community budget and possibly linked to certain conditions. This financial equalization system — at least, this was the idea we discussed here — would have been linked to certain conditions as regards economic policy. It would have left the system of own resources untouched, but it would of course have resulted in an inevitable increase, in say, the proportion of VAT earmarked for the Community budget over and above the existing ceiling. In other words, it would not have involved any enlargement of the Community budget.

As far as economic convergence and the problems of financial equalization are concerned, I do not believe that we — or, for that matter, the Council, the Heads of Government or the national parliaments — can avoid the fact that, without an increase in the VAT ceiling, it will be absolutely impossible to achieve any genuine measure of equalization.

That is why, Mrs Castle, I believe that the criticism you directed to the European Parliament in a certain part of your speech took no account whatsoever of the discussions we have had in this House, which have clearly and simply escaped your attention.

*(Applause)*

Mr President, ladies and gentlemen, the President-in-Office of the Council's summing-up of the Irish Presidency contained nothing new for any of us — and I say that without any trace of malignant delight — but simply confirmed that after five years of European Councils, the institution of the European Council is sadly no longer capable of emitting any political impulses and is incapable of setting the tone in political economic or foreign policy terms. Instead, the European Council can do no more than discuss problems which the Council has been unable to solve or where the Commission has failed to take any initiative on which the Council could act. So planning for the future is dead and buried, and no attention is devoted to the consequences for the European Council of the direct elections to the European Parliament and Parliament's increased powers under the Treaties.

Precisely where, at its meeting in Dublin, did the European Council enter into any commitments; and where — for that matter — was there any sign of stim-

## Blumenfeld

ulating ideas? What we got was a whole string of self-evident facts, but none of the political and substantive commitment we were expecting. For instance, the final communiqué issued after the Dublin Summit took no account of the guidelines laid down by the directly elected European Parliament. The European Council decided, among other things, to submit the report of the Three Wise Men to the European Council via the other institutions — including us — for information only. The European Parliament will not — as other speakers have said before me — tolerate simply being informed about the problems. What we want is a full-scale discussion of these questions with the institutions — especially the Council — in public...

(Applause)

... I think that a lot of the things we have seen in reading quickly through the work presented by the Three Wise Men are highly valuable and important, and we call on the Council to discuss these matters with us now and not to sit back and think it can simply deal with the whole subject in cosy isolation.

Mr President, the European Parliament — and I say this on behalf of my Group — is vitally interested in supporting the Council so long as the Council is ready and willing to make an effective contribution to the future development of the Community. The European Parliament would be particularly interested in entering into conciliation discussions with the Council on matters which do not have immediate financial repercussions. I am thinking here mainly of the development of our institutions and the Community's external relations. A lot has already been achieved in this respect, and I would cite you the example of our external relations based on European Political Cooperation. But we find again and again that there are still substantial shortcomings and — unfortunately — an unwillingness on the part of the Council to make concessions to the European Parliament, and not only to discuss things with us, but also to keep us informed, so that we are better informed than the press and are given more background material. We should then have a sounder basis for reaching decisions, and would be better equipped to represent our common institutions and the people who elected us. I would point out that the Council's reply with respect to European Political Cooperation in no way satisfies this House's requirements. We shall have to keep on at the Council on this point, and I would inform the Council here and now that it should not delude itself into thinking that we shall let it get away with the few words it tried to fob us off with here. What we want to see is full-scale cooperation and concertation on foreign policy matters prior to important decisions like the enlargement of the Community. Although we are very much in favour of Greek accession to the Community — and the procedure has now reached the ratification stage — the fact remains that the Council has failed to deal with a

number of highly important points. The negotiations with Portugal and Spain show quite clearly that no account whatsoever has been taken of the need to develop an overall Community Mediterranean policy. That is something the European Parliament has been calling for for years; now that it is coming to the crunch, it is obvious that the Council must — before it is too late — discuss the question of a Mediterranean policy with us. Such a policy does not need to be inflexible, but it must take into account all the political and economic factors of significance to the accession of Spain, Greece and Portugal. Let me just remind you of the serious economic and political repercussions for countries like Israel, Morocco, Tunisia and Cyprus which would result from a Community policy which was not defined as a Mediterranean policy and had not been discussed with the European Parliament. We shall have to force the Council to enter into discussions with us on this question.

Mr President, there are — and there will no doubt continue to be — highly significant phases in the Community's external relations in which we shall want to discuss matters with the Council and the Commission at an early stage and not simply be informed of *faits accomplis* in writing.

As time is pressing, I should just like to devote a few words to the Commission. We have for a long time now been concerned at the fact that, because of the difficult conditions in which it is forced to work — due in part to the Council's attitude — the Commission can unfortunately no longer be regarded as a collegial body. The Commission is seriously imbalanced in terms of the political and economic weight of its various departments. That is a fact. Unfortunately, what we in the Political Affairs Committee have found over and over again is that there is no coordination within the Commission with respect, for instance, to external economic relations, development policy and a large number of other policies for which the Commission bears a good deal of the responsibility. There is no coordination, and every Member of the Commission is left to reap praise or criticism from outside simply on the strength — or weakness — of his own personality.

When the President of the Commission comes to a meeting of the political Affairs Committee and says, in reply to a specific question, that the Commission has no intention of making contact with, or speaking with or even receiving, Mr Kadoumi, the PLO's representative for external relations, on the occasion of his visit to Brussels, and when this very same person is, just one week later, received by Mr Cheysson for a lengthy discussion and subsequently refers to the substance of that discussion, I can only say that the President of the Commission clearly has no idea of what his colleague from the Commission is up to or the Member of the Commission has simply not told him what he is up to. In any case, there is clearly no

## Blumenfeld

coordination. That, as far as I am concerned, is an intolerable situation. I just mentioned this example because a question tabled by a number of the groups in this House has so far not come up for discussion in plenary session. There are plenty of other examples, though.

In conclusion, I should just like to say that the Council of Ministers and the European Council should and must realize that we are elected representatives of the people. We represent more than 110 million Europeans, and so far, the Council has not given us the respect and treatment we deserve. We shall get our way in the end, though, and the Council would be well advised to take heed of this warning.

**President.** — I call Mr Normanton.

**Mr Normanton.** — Mr President, may I first of all preface my brief contribution to this debate with my very sincere congratulations to my friend and former colleague in this House, Mr Brian Lenihan, on his appointment as Foreign Minister. By virtue of this he has, of course, become President-in-Office of the Council of Ministers. We all know that his days in this office will be short, but I am sure we hope they will be rewarding. I am equally confident that they will not be other than a challenge.

This House and the parliaments of the Member States would be well advised to pay much more attention to the cumulative contribution to the development of the Community which flows imperceptibly from the constant interchange of people and personalities between institutions of the Community and Member governments. I venture to suggest that the influence of these exchanges may well prove to be even more powerful and more enduring than the mountains of papers and the flood of words which come forth from the institutions themselves.

Today we are, of course, debating the 14th report by a President-in-Office of the Council since the Community expanded from the founding six Member States to the present Nine. I am sure, as I look round this House, that there will be near unanimity amongst those of us who have served in this House over that period when I describe these reports as all having one thing in common. Have we not heard all this before? Yes, 13 times to my knowledge. The same hopeful aspirations, the same formula couched in diplomatic indeed, in pious terms, followed six months later by the same statement of failures to fulfil. All are failures at intergovernmental level.

Within this Parliament — and the longer one serves in it the more convinced of this I — for one, have become — despite all our wranglings and our ineptitude on some occasions, we have shown the world — and I repeat — the world — that we can resolve our differences, that we can reach common objectives, that we can reach common Community positions, and over a remarkable and ever-widening area of the political spectrum. We have been doing so for a very long period of time. Of course, the critic will reply that it is

easy to reach agreement when we do not bear upon our own shoulders the direct political responsibility for the implementation of those self — same agreed Community approaches. We, the European parliamentarians, did not bear this responsibility in the past, but we should not forget — and this House will not forget, it will be constantly reminded — that as and from June of this year we, as parliamentarians bear increasingly direct responsibility for all our judgments and for all our actions. When we go back to our electorate in five years' time, we shall have to answer responsibly for our commitments in this forum. For this reason I put to the House, to the President-in-Office of the Council of Ministers, were he present, and to the Commission the urgent need for rethinking the role of some of the Community institutions and the way they are to work in future. I only quote, to illustrate the point, four particular examples, but in the course of this debate many other clear examples have been referred to by colleagues and should be added to this list.

As the top priority, I believe we have to rethink the system for financing the Community. Had I ever for one moment had any doubts on this and I have not — they would have been completely dispelled after listening to my friend, Mr Christian de la Malène. He knows me well enough, and so do other honourable Members in this House, to know that there can be no trace on my part or that of my colleagues of being in any way hostile to the concept of the Community indeed, on the contrary. Unlike him, however, I believe we are, as a Community, dragging our heels unforgivably, some of us much more than others. Basing the Community on the concept of an agricultural policy alone, so to speak, is the ultimate negation of all that the founding fathers of the Treaty of Rome and the European Community had in their minds at that time. The budget must be completely restructured, or the Community may well founder, and sooner rather than later.

The second priority which I suggest to the House would be a restructuring of the Commission, a reduction, as I believe has been hinted at, from two to one Commissioner per Member State. This is an obvious prelude to the next and very significant and important stage of enlargement of the Community. I believe we in this House should appoint from our midst deputy Commissioners to work in partnership with the Commissioners appointed by the Member States' governments. I am not suggesting this in any sense of 'jobs for the boys'. I put it forward as one step along a road which must ultimately lead to this House having the absolute right to appoint Commissioners, who will not be nominated from Member States in a kind of patronage system, but directly chosen by the elected representatives of the people — and that is what this Parliament is, or it is nothing. I believe that is the first step we could legitimately and, I would like to think, effectively take when we come at the end of next year to the restructuring or redesigning of the Commission of the Communities.

## Normanton

The third priority that I would suggest — and there could be others which may well take precedence — is the adoption of a custom procedure, whereby the Prime Minister of the Member State presiding over the Council of Ministers at the time would appear before this House to face questioning by responsible elected representatives of the people of Europe. It would undoubtedly be a sobering experience, and I believe it would be a significant one in terms of the evolutionary constitutional development of the Community.

The fourth one I will not, in fact, cover again, because my friend, Mr Blumenfeld, covered it more than adequately when he referred to the vital necessity of improving the procedures for concertation not just as between Parliament and the Council, but between committees of our Parliament and the Council. An improved process of concertation will be very significant in influencing future decision-taking.

As far as Mrs Castle's speech is concerned, I will not comment at any length. I would remind her and the House that, like the speeches of the Presidents-in-Office of the Council of Ministers, we have heard it all before hundreds of times. So also has the British electorate, which gave its comment on it on 3 May.

We, the peoples of Europe, are facing a grave and growing range of threats to our future, far greater, far more profound, far more ominous than ever before in our short Parliamentary and political life of 21 years. Changes in our institutions, just four of which I have referred to, and in our methods of working — and that means financing — must be made, and made quickly before it is too late.

**President.** — I call Mr Damette.

**Mr Damette.** — (*F*) Ladies and gentlemen, I shall not criticize the President-in-Office of the Council for making a somewhat soothing statement, since that is the rule for this form of diplomatic utterance. After all, the conclusions of the Dublin European Council are clear enough.

One word which is never used in the Dublin communiqué is 'crisis', in spite of the fact that all these conclusions and resolutions are crisis documents through and through.

In this field, you gentlemen of the Council and Commission do not have many new ideas. The cry is always 'Oil! Oil! Oil!' It is therefore necessary to point out yet again that the oil bill for France will be only 3.75 % of the gross domestic product in 1980, as in 1976.

Thus it is necessary to reread the GATT Annual Report, which states that the dangerous and misleading theory that the increase in oil prices was one of the main causes of revived inflation and of the

expected rise in unemployment is belied by the facts. However, gentlemen, you are in a position to know how things stand, since, in the economic assessment drawn up by the Commission (Com. 79/568) analysing the Community balance of payments, you say that, in a slightly longer historical perspective, it is to be noted that 1978 was marked by the virtual disappearance of the current dealings surplus of the OPEC countries, and subsequently that another factor which played a role in 1978 was the deterioration in the terms of trade of the OPEC countries. It is you yourselves who say this, and you are very well aware that the current increases aim only — and quite justifiably — to compensate for this deterioration.

The main cause of inflation is to be found elsewhere, in the monopolies' greed for profits, oil profits being moreover, predominant, for the most recent published figures show an enormous increase in oil profits for the first quarter of 1979. To quote only one figure, the Compagnie Française des Pétroles increased its profits by a factor of seven in 1979.

But everyone keeps quiet about this fact, because this is precisely the aim of your policy — that of the Member States and that of the Community. The Commission report to which I alluded just now is quite clear on the point, for it states that real wage costs per product unit are likely to increase (in 1979) by 0.3 %, whereas they decreased by 0.9 % in 1978, thus interrupting the favourable trend observed since 1976 which reflected the slow recovery of the profit margin of undertakings after the very serious deterioration in 1974 and 1975. Your policy amounts to reducing the income of households in order to increase the profits of undertakings and particularly of the multinationals.

And it is to provide a pretext for this policy that you constantly brandish the oil scarecrow. Moreover, still in France, the INSEE has estimated the increase in the oil bill in 1979 at fourteen thousand million French Francs (at current prices), and the government used this bill as an excuse in the autumn to take sixty thousand million francs off the incomes of households.

How convenient it is to be able to point to oil sheiks and ayatollahs. It is clear that if they did not exist they would have to be invented. In reality, it is this policy of profit at the expense of incomes which informs your guidelines for 1980.

Your plans are clearly expressed as early as the first page of the Commission's economic report of November 1979. I note that from 1978 to 1979, economic growth has declined from 3.1 to 2 % per annum, inflation has increased from 6.8 to 9 % per annum, and unemployment has gone up from 5.5 to 6.2 % of the active population.

**Damette**

What you are planning for the coming years is in fact a worsening of the crisis — a crisis for working people, together with restructuring of capital and growth of profits, export of capital and redeployment on a world scale. With regard to the latter, the Commission points out in its report with some satisfaction that in 1978 the surplus on current payments of the Community was partially neutralized by an increase in net capital outflow in direct investments and securities. I decode this as follows: for the multinationals business is booming, while unemployment will increase by 12 % in 1980.

With regard to unemployment, I wish to stress a point which seems to me to be essential. The fine words of governments and of the Community on unemployment and the measures taken in this field are by no means intended to combat unemployment but to organize it, to distribute it among the regions, among age groups and among enterprises.

I would add that the assessment submitted by the Commission is in my view especially revealing, for it states that with regard to unemployment of young people, the increased rigidity of the employment market resulting from labour legislation and the attitude of the trade unions have probably been prejudicial to the interests of young people.

And later on you add that women returning to the employment market obviously encounter the same problems as young people approaching it for the first time. I want to tell the Commission formally that these remarks are degrading and reflect badly on their authors. You are accusing the trade unions of being responsible for the employment difficulties of young people. It is quite simply disgraceful, but above all it reveals your political aim, which is to use unemployment to put once more in question trade union rights and the conditions achieved by the workers, in order, of course, to increase the profits of the multinationals.

That is the real nature of your austerity and redeployment policy, and all the evidence suggests that it is plunging all our countries into crisis and seeking to make the workers pay the cost of this crisis, without solving any real problems, indeed aggravating them.

You are combining unemployment, under-utilization of industrial capacity, inflation, and failure to satisfy social needs with an increase in profits and the export of capital. The French case is typical in this respect.

But it is also interesting to note that the implementation of this policy is encountering growing difficulties of various kinds which arise at different levels. You have recently given prominence to the budgetary question raised by the British Government. What does this involve?

I would point out first of all that the fall in the standard of living which the British workers have

been forced to accept in the last few years has done nothing to solve the problems in that country, where inflation continues and unemployment mounts.

Next, I note that the British Government is exploiting in its own way the deep popular dissatisfaction with a Common Market which has brought Britain no advantages, indeed quite the reverse. Finally and above all, I note that the Dublin Summit proposed to go a long way to meet the demands of the British Government, mainly as a result of President Giscard d'Estaing's action.

Now, if the British contribution to the Community budget is relatively substantial, this is because of the considerable quantity of British imports coming from outside the EEC, with these imports being reflected in customs duties and agricultural levies.

In these circumstances, the granting to Britain of an extraordinary subsidy as decided by the Dublin Summit is in effect a premium for the abolition of Community preference.

That preference is in fact one of the positive elements in the common agricultural policy, and the multinationals which dominate the Community want to see it eliminated, since they will no longer tolerate a situation where the European budget is not entirely devoted to them. They aim quite simply to bring about the disappearance of hundreds of thousands of small agricultural holdings. This is, moreover, the aim of the draft agricultural guidance law which the French Government has just put before our Parliament.

This in fact follows the now defunct Mansholt plan, which aimed to specialize agriculture in the only slots regarded as commercially viable by the food industry monopolies.

The line taken by this European Council accords completely with the action of the various political groupings in this Parliament, which aims to abolish the truly Community aspects of European policy in order to make Europe part of the world market and remove all obstacles to the free workings of the multinationals. Moreover, the enlargement which you propose would contribute to the same end.

The Europe which you want would be merely a European area for the multinationals.

The compromises which are being reached no doubt reflect conflicts of interest among the political groupings, but also the fact that you are forced to take account of popular pressure and discontent.

My final point is that the policy of social regression and fusion with the world market dominated by the multinationals meets with deep-seated resistance from the workers.

I quite realize that the Commission itself has taken account of this fact in its latest report on economic

**Damette**

prospects, where it states that economic factors will depend in turn to a large extent on whether households will be prepared to absorb in the trend of their nominal incomes the deterioration in the terms of trade resulting from the increase in oil prices, or try instead to pass it on to undertakings or public funds by means of compensatory wage claims.

A certain anxiety is perceptible in this sentence. You are right to be anxious about this especially with regard to France.

The French workers have already shown that they were not prepared to submit to the consensus of austerity and redeployment. You may rest assured that they will continue on these lines with the full support of the French Communist Party.

They will do so all the more energetically because they note the damaging effects of your policy and are convinced that it is not the way out of the crisis.

The way out is diametrically opposed to the one which you want to impose. It involves social progress, an increase in wages, particularly the lowest, the reduction of social inequalities and a form of economic development based on the meeting of social needs and the realization of the potential of the various countries.

It involves the furtherance of democracy and of the workers rights within the firm and in civil life.

Finally, it involves the sovereignty of nations, a necessary basis for developing international cooperation, which is the only way to tackle seriously and effectively the great problems of our world.

**President.** — I call Mr Berkhouwer.

**Mr Berkhouwer.** — *(NL)* Mr President, I should like to place my remarks in the context of the burning question of Europe's position in the world of today and tomorrow.

The European Council has been in existence for five years now, we have established European political cooperation and the EEC came of age this year.

The whole world is aflame. In Asia and Africa armed conflicts, aggression, genocide and large-scale terrorism are rife, and wherever we look the interests of Europe at world level are being eroded and undermined. Against this background, however, the European Council in Dublin concentrated mainly on the contribution of one of the Member States to the Community budget and the amounts to be used to finance food surpluses, and this at a time when a large proportion of the world population is starving. As regards the British contribution, I should like to say a few words to Mrs Castle.

*(The speaker continued in English)*

In this context, a word in her own language to Mrs Castle, who, by the way, seems only to give us the pleasure of her presence to hear herself.

*(Applause, laughter)*

Mrs Castle should be aware that we are not here on the Thames to fight a battle between her and Mrs Thatcher; we are here on the Rhine to build Europe.

In 1977 we had the same language from Mr Callaghan. Mrs Castle was in the then Wilson government, of which Mr Callaghan was Foreign Minister when he said that the financial readjustments he obtained were so favourable that they, the Wilson government — Wilson, Callaghan and Castle — advised the British people to vote yes in the referendum.

*(NL)* Mr President, how do we stand as regards our vital interests, i.e. the life-and-death question of our freedom and energy supply. As regards our freedom, we are dependent on the Americans, and as regards energy we are dependent on the Arabs!

As far as freedom is concerned, can we object if the Americans expect us ourselves to act more as a Community in defending our freedom? Incidentally, I regard this morning's debate on urgent procedure concerning missiles as an overture to the broad debate on the use of missiles in the defence of Europe. This represents a breaking of the taboo regarding the competency of this Parliament on matters concerning the defence of Europe, which is not, I admit, mentioned in the Treaties, but the Treaties do not contain a word about the European Council either. We will no doubt have occasion to discuss this point in the debate on the report of the Three Wise Men. And while we are on the subject, where is this report of the Three Wise Men? Is it a secret to which only the European Council has access, or may the general public in Europe also get to hear something about it? It is before the President, i.e. the representative of the Council, but it has not been distributed to the representatives of the people of Europe. This fact should be remedied as soon as possible.

As regards oil, how long will Europe not have the courage to observe the rules of common courtesy, in the hope of satisfying its thirst for Arab oil? We receive Israel here with many fine words but at the same time here and there in Europe we stand cap in hand before people who are out to destroy Israel.

What is Europe currently doing in South East Asia with a view to putting an end to the Soviet-Vietnamese aggression against the neighbouring people in Vietnam? One could also draw a comparison with the Soviet-Cuban penetration of Africa.

What is Europe doing about the fact that the people of Cambodia are being starved out, threatened and indeed exterminated? We cannot even guarantee that the food we send in fact reaches the starving masses. It is a pity that my friend Mr Cheysson is not here. Most of this food appears to disappear into the packs of the soldiers of the attacking armies!

**Berkhouwer**

We do, however, seem to be able to pollute main arteries which are essential for the well being of millions of Europeans. Take the Rhine, for example, which we blithely go on polluting, while for the rest we mainly talk about fish, sheep and pigs at a time when the mediaeval tyranny of regimes such as the one in Iran are gnawing at the roots of our civilization.

What has Europe done in connection with the degrading events in Teheran with a view to demonstrating its solidarity with our distressed American allies? We had our ambassadors say a few things, but it has all, as they say, cooled down. However, what are we in fact doing to demonstrate our solidarity with our American allies? Today it is happening to the Americans in Teheran, tomorrow something similar might happen to one of us. I think you should bear this in mind.

At any rate, my group wishes here and now to demonstrate its sympathy with the American people and to wish Cyrus Vance success on his pilgrimage through our capitals in search of aid and support for our allies who are undergoing such humiliation. Incidentally, what a magnificent name: Cyrus, which used to be the name of the Persian kings.

At any rate, we hope that the European Council will be able at a future meeting to take a decision reflecting a greater awareness of Europe's place, task and duties in today's and tomorrow's world than was reflected at the recent meeting in Dublin.

**President.** — I call Mr Nyborg.

**Mr Nyborg.** — (DK) Mr President, ladies and gentlemen, I should like to begin by welcoming Mr Lenihan, the Irish Foreign Minister, who is the new President of the Council. It is always nice to see former colleagues turn up in Strasbourg in yet more important positions than previously.

It is always easy to pick holes in the President, just as it is easy to pick holes in the Council. However, in my view, the conditions under which the Irish Presidency has had to do its work are such that it seems unreasonable to criticise it. This is the first Presidency which has had to work with a directly elected Parliament — a Parliament which is attempting to assert itself as a political force to be reckoned with alongside the Council, a fact which is reflected in the current budgetary problems. For this reason, it is, I think, worthy of note that the Irish Presidency has managed to keep his troops together. It is also worthy of note, I think, that it proved possible at the Dublin meeting to prevent the total breakdown which could easily have resulted from the inordinate and brazen demands made by Margaret Thatcher on behalf of the United Kingdom. However, this is the British approach we have come to know: they make demands far in excess

of what is reasonable since this puts them in a position to negotiate for improbable and unreasonable things. We have seen this happen in connection with the fisheries policy too.

Unfortunately, there is not much time for the individual speakers so I must merely point out that in the future, we must work more seriously than ever before on the international problems such as energy supply, environmental protection and, not least, the economic difficulties. The Irish Presidency is safely over the first hurdle and now we are waiting to see how the next presidency will be able to continue this work in the interests of the people of Europe.

**President.** — I call Mrs Macciocchi.

**Mrs Macciocchi.** — (I) Mr President, I should like to strike a new note in this debate, which otherwise risks degenerating into a monotonous list of crises, by saying that you have all forgotten that in the hurricane that has overtaken the post-Dublin Europe one objective at least has been successfully achieved and I would like them to take rational note of this without being too amazed at it.

This success concerns the question of the European judicial area, on page 23, last chapter of the report on the Dublin Summit which Mr Lenihan has presented us with. This seems to me to be a positive, but undesirable achievement, because, on the pretext of combating terrorism, the Council boasts of having achieved success in this matter. I speak ironically because, just in case the irony has not been grasped, the agreement which was reached at Dublin was followed by a mysterious, unknown and secret draft convention dealing with criminal matters which the Council hopes to be able to get approved and submitted for ratification before the end of next year.

For this reason I want to raise a general question: the Europe in which we can reach agreement about a judicial area is a Europe in which it is impossible to find any unity, whether apropos of wages and salaries or apropos of the vast economic crisis which is shaking the Community to its foundations.

For this reason I want to emphasize the following points: firstly, we have not so far been informed about a matter which is of great importance to us, namely economic growth, unity and whether or not people can get work in this Europe, in other words we have not been informed about the liberties of the individual, the liberty of the European citizen.

Secondly, no one has taken the trouble to discuss this serious matter here, not even on the Left.

Thirdly, the fundamental risk which we are running is that the European judicial area may degenerate into a system of automatic extradition and the abolition of the right of political asylum.

**Macciocchi**

Fourthly, there are contradictions between national legislation and the direction in which Community policies are moving. Whilst the ratification procedures in the national Parliaments are pending and to the extent that the Member States are asked to make use of the reservations mentioned in article 13 of the Convention, cooperation between the police and the political executives is already a reality. In other words the judicial area has already in effect been institutionalized, and consequently this system constitutes a legalization of an existing practice. This is a cause of some concern for me, because the average European citizen has no means of defending himself, in spite of the passionate statements on this matter emanating from the European Commission on the Rights of Man and in spite of the fact that our Community has signed the Human Rights Convention. I am led to wonder whether the European citizens are less deserving of protection in the question of human rights than others.

At the end of this speech — for which I have limited myself to three minutes — I should like to ask for a Human Rights Charter which would be Europe-wide and which would involve the freedom for European citizens to have direct recourse to the International Court at the Hague. At the moment both freedom and rights are slipping out of the hands of the Council and the Commission and all we have left is the rule of the oligarchies and the political authorities.

My fear is that the more this European crisis of which we have all been speaking so dramatically, deepens, the more people will tend to restrict liberties, and have recourse to European judicial areas, on which — oddly enough — the Nine, who are otherwise in disagreement with regard to everything, are in total agreement.

**President.** — I call Mr Paisley.

**Mr Paisley.** — Mr President, I should like to draw the attention of the House to a matter that was referred to by Mr Blaney who spoke earlier in this debate. He said that his country had been 'denied the right of self determination.' I regret that the incoming Irish President-in-Office is not here, because I would have liked him to have been here and to have been able to answer me in this debate. Because since the last plenary session, the prime ministership of the Republic has changed. Of course, if I passed any criticism of the new Irish Premier, I would immediately be accused of being biased, coming from Northern Ireland, and putting a typical Unionist slant on his appointment. But I draw the attention of the House to the fact that yesterday in the Parliament of the Republic, Dr Garret Fitzgerald, leader of the Fine Gael Party — and there are many representatives of that party in this House today — spoke of the flawed pedi-

gree of the man chosen to succeed retiring Premier Mr Jack Lynch. Even Mr Haughey's colleagues in his own Fianna Fail Party, Dr Fitzgerald went on to say, were repelled by the known defects in the man, some of which could not be mentioned even in that privileged Assembly. And then he recalled a fact that is very clear to the minds of the people of Northern Ireland — the fact that Mr Haughey was accused of conspiring to import guns for the IRA in 1970. He was found not guilty, but, said Dr Fitzgerald, for nine long years after that day he refused to utter one word of condemnation of the IRA until faced with a question on the issue at a press conference following his election as leader of his party.

Now those words of the leader of the opposition in the Dail, commenting on the new Prime Minister of the Republic, reflect a view held of him in the South of Ireland. I leave it to the imagination of this House to decide how the people of Northern Ireland — something like 90 people this year have been killed by the IRA bomb and bullet in Northern Ireland — will react to this particular event.

I would have liked the incoming President-in-Office of the Council to have been here to give some assurances to the people of Northern Ireland in regard to what action, or change of action, is going to take place because of the change of premiership in the Republic. I should like also to mention the fact, which is a burning irritant in Northern Ireland, that the constitution of the Republic claims jurisdiction over Northern Ireland.

I also wonder, since the Council of Ministers will be discussing the accession to this Parliament and to this Community of Spain: have they considered a similar parallel in Spain? Spain claims jurisdiction over the Rock of Gibraltar, and the people of the Rock want to remain under British jurisdiction. These are matters that this Parliament needs to face up to; the Council of Ministers need to face up to them; and I trust that on some future occasion, Mr Lenihan will be here, and we will be able to hear his answer and have an exchange of views between a representative from Northern Ireland speaking for the Northern Ireland people, and himself representing the Irish Republic.

IN THE CHAIR: MR DE FERRANTI

*Vice-President*

**President.** — I call Mr Jaquet.

**Mr Jaquet.** — (*F*) Mr President, the failure of the Dublin summit or, at least, the fact that it was impossible to reach a formula for agreement on convergence on the whole raises the question of Europe's future and of our attitudes towards the organization and func-

## Jaquet

tioning of the Community. Since this latest top-level meeting, the statements made in various quarters reveal the full extent of the confusion which has spread among the European public. Some people maintain that if Great Britain is unwilling to play its part in the Community openly and sincerely, how can it remain with us? To which Britain replies that if its wishes are not met, how can it remain a member of a Community which refuses to understand its needs?

We refuse to allow ourselves to be carried away or influenced by such attitudes, as they could have a dire effect on the entire Community, on each and every one of us. Since the Community's inception, we have hoped and planned for Britain's accession. We cannot accept any thought of a break-up now. True, Dublin was not a success; we trust that this failure is only temporary, but the government has only a few weeks to repair the damage and overcome this hurdle. How can it do this? Firstly, by remembering what the Community is, or rather should be. It is — or should be — a group of people and countries which have decided to act together. This is the thinking behind the common rules and mechanisms which provide the Community with its own resources. These mechanisms make it possible — or should make it possible — to take joint and concerted measures, to achieve harmonization and, above all, to draw up common policies which benefit the entire Community. If these are really our aims, the present attitudes of the British government are hard to understand. I find it difficult to grasp the notion of *juste retour*, the need for strict balance between what we give and what we receive, and the desire to recover our money. How can we speak of Community if we think like that? In a truly cohesive Community, some countries may, at a given moment, be temporarily better off in one respect than others. But policies and measures which are jointly financed and implemented should obviously benefit everyone. Indeed they do, even those who appear to be temporarily at a disadvantage when we consider only the strict balancing of their financial contributions. How is it that such principles, which are so obvious and elementary, are not accepted by everyone? Why the present crisis? I am inclined to think that it is because the Community which we have created is not a real community at all. I firmly believe that the real source of our problems is, first and foremost, the slow and perilous weakening of our community spirit. We are far removed, in fact, from the principles I have just mentioned. We do have our own resources, but where are the common policies? We freely admit that in agriculture positive results have been achieved, although the Common Agricultural Policy is clearly far from perfect, and even contains serious injustices. Although the French socialists and left-wingers felt during the debate on the budget that this policy should not be reformed by amending the budget, they hope, as do all the members of the Socialist Group — and I now repeat

this on their behalf — that the House will soon hold a full-scale debate in which we shall come up with some realistic and constructive proposals.

But apart from agriculture, do we have any truly common policies? The so-called social policy has done little to combat the increase in unemployment. The funds allocated for regional policy are derisory in view of the extent of the inequalities, while the industrial policy — as may be seen in the steel industry and textiles — is confined to a few delaying tactics in the face of the *fait accompli* of restructuring. The energy policy, despite the seriousness of the situation, has barely got beyond the discussion stage, and inflation is growing throughout the Community.

In fact, we have created far more of a free-trade area than a genuine Community. The policy of *laissez-faire* has clearly not reduced our social and regional inequalities in the face of the growing industrialization of the Third World, the stranglehold of the multinationals and of the preparations for the developments which are essential to safeguard Europe's independence and restore full employment. So the Community does have its disappointing aspects, which go a long way towards explaining the nature, and extent of our present crisis.

The crisis is by no means irreversible and direct elections to Parliament, by providing our people with a more effective platform for their views, should help to bring about a gradual improvement. But for the time being, the effects of this protracted weakening of the European ideal are being felt bitterly. And when we weigh up the situation, we all tend to feel that the bad outweighs the good, even though such an appraisal is often to some extent unfair.

How then can we overcome the present crisis? By applying short and medium-term measures.

In the short term, I feel we should follow the advice of the Commission. We all agree that Great Britain's present situation urgently needs to be put right. The corrective mechanisms decided on at the 1975 Summit and applied in a liberal spirit could provide a useful basis for an effective solution.

Great Britain could also be given a bigger share in Community expenditure, an idea mooted in Dublin a few days ago. But this would only be on a temporary and short-term basis.

In the longer term, the Community's policies need to be reorientated. This is obvious in view of the criticisms which I made a moment ago and which we are entitled to level concerning the Community's present activities. Will we be able to make Europe capable of fulfilling the potential which we believed it had? Can we make it capable of meeting the harsh challenge of the crisis?

Can we enable it to exercise truly democratic control in the social and economic spheres?

Jaquet

These are some of the aims which we should persuade our national governments, as well as Parliament, the Commission and Council, to accept. With these aims in mind the Socialist Group has tabled a motion for a resolution, which — I am sorry to say — the House this morning refused to debate by urgent procedure — in which it calls upon the Commission to present in the near future a report on the long-term problems of structural, economic and social development and on their implications for determining the targets and priorities of Community policies and the machinery needed for their implementation.

I think we all realize the importance of what is at stake and the decisive nature of the measures we must adopt. For our part, we earnestly hope that the crisis will ultimately prove to be a blessing in disguise and that it will help us to appreciate more fully the bonds of solidarity which unite us. This is the only way the Community — in the final analysis the nations and people of which it is formed — can come through this ordeal with renewed strength.

#### 9. Agenda

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

**Mrs Ewing.** — If I could perhaps use the last speaker's own phrase about this Parliament being alive, I would like to say that it will not be alive if backbenchers like myself are asleep. My agenda states that Question Time will be called at 5.30 p.m. The second paragraph of Rule 12 (2) states that 'the agenda shall not be amended, except in application of Rules 14 and 32' — which have no relevance to this — 'or on a proposal from the President'.

I have understood that you are going to make a statement. My point of order is simply that you cannot treat Parliament in this way. Question Time is on the agenda, it has not been agreed, to my knowledge, that it should be altered, and I have spoken to other colleagues here. Question Time is our way of maintaining a degree of accountability, of doing our duty. We are not only interested, I am sure, in our own questions, but in the questions of other Members as well. We come here because we are interested in hearing the answers to these questions, and for this kind of action to be taken seems to me quite out of order. If there is such a proposal from the President, then I shall call for a vote on the matter by the House.

*(Applause from certain quarters)*

**President.** — Mrs Ewing, the House itself is in a quandary, because the House itself has decided two incompatible things: on the one hand, the House has decided to have Question Time at 5.30 p.m., and on the other, it has decided to hold this debate, which it has also decided should last for 6 hours. Clearly a deci-

sion has to be made. As far as the debate is concerned, there are 16 speakers left on the list, and this will just about take until 7.00 p.m. However, in view of the quandary, the President herself discussed the position with the group chairmen, and they reached the view that they would recommend to the House that the present debate should continue.

I am afraid one other parameter is relevant, and that is that we must conclude the debate by 7 p.m., because of the staff.

I call Mr Provan.

**Mr Provan.** — I would like to support Mrs Ewing. I think it is quite intolerable that people who have organized their day to be here to hear the answers to the questions they have put to the Council should be treated in this way. We have on many occasions been informed that this Parliament must run to a proper timetable, and if we are to complete this debate without having Question Time first, it will be quite intolerable, because Question Time would then fall. I would suggest to you, Mr President, that, as has happened before, the debate should be concluded at some other time. The timing agreed to by Parliament must be sacrosanct.

*(Applause from certain quarters on the right)*

**President.** — I call Mr Moreland.

**Mr Moreland.** — Mr President, I am in the unusual position of agreeing with Mrs Ewing. I would like to know from you if the Bureau plans to have Question Time to the Council at another time during this week, or — as I see the official from the Council shaking his head — are we to assume that the Council is running away from it again? Are we to assume that the Council, having behaved like the Stuarts towards the Parliament over the last two weeks, is now behaving like the Bourbons, and hopefully might go the same way?

*(Laughter)*

**President.** — We cannot go on debating the issue, we must make a decision.

I call Mr Spicer.

**Mr Spicer.** — Mr President, I agree wholeheartedly with you, but before we continue the debate, I do think that, in fairness to the Council, it should be said that there is no reflection on the Council's being able and prepared to give their answers. And I would ask my colleague to withdraw his remark, which is totally unfair to the Council, because it does not reflect the facts.

**President.** — I now consult Parliament on whether to continue with the debate or to proceed to Question Time.

**President**

Parliament will continue with the debate.

I call Mr Moreland on a point of order.

**Mr Moreland.** — I was asked if I would withdraw an unfair accusation to the Council and I am, of course, happy to do so. I did make my accusation because, when I suggested that Question Time might be taken at another time, the Council official shook his head, and I assumed he was saying that was impossible from the Council's point of view. I do apologize, although obviously my original point still stands.

**President.** — I call Mr Taylor on a point of order.

**Mr J. D. Taylor.** — Mr President, since we have decided not to have Question Time now, when will the new time be for the Question Time?

**President.** — It will be communicated in writing in accordance with the Rules.

#### 10. Urgent procedure

**President.** — I have received the following two motions for resolutions with request for urgent debate, tabled pursuant to Rule 14 of the Rules of Procedure :

— by Mr Muntingh, Mr Van Minnen, Mr Wettig, Mr Schiller, Mr Seeler, Mrs Weber, Mrs Wiczorek-Zeul, Mr Schmid, Mr Hänsch, Mr Linde, Mr Arndt, Mr Walter, Mr Van der Vring, Mr Woltjer, Mrs Krouwel-Vlam, Mrs Van den Heuvel, Mr Schinzel, Mrs Viehoff, Mr Albers, Mrs Hoff, Mr Peters and Mr Schmitt, on pollution of the Rhine (Doc. 1-592/79);

— by Mr Vergeer and twenty-one other signatories, on behalf of the Group of the European People's Party (CD), on the tragic plight of refugees, particularly children, in the Horn of Africa (Doc. 1-594/79).

The reasons supporting these requests for urgent procedure are contained in the documents themselves.

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

#### 11. Statements by the Council and Commission on the European Council — Statement by the Council on the Irish presidency (continuation)

**President.** — We shall now continue the debate.

I call Mr Penders.

**Mr Penders.** — (NL) Mr President, one of the consequences of Mr Colombo's contribution to this debate which I personally find unfortunate — although in all other respects I found it excellent — is the fact that there is only 8 minutes speaking time left for the Group of the European Peoples Party. I should therefore be grateful if you would tell me when I have had three minutes, after which I will complete what I have to say in one further minute so that there will be four minutes left for Mr McCartin. I will have to cut

my speech by half and only mention two points, i.e. the question of Iran and the Madrid Conference.

As regards Iran, my Group endorses the statements by both the European Council and the Foreign Ministers meeting in political cooperation regarding the holding of hostages in the Teheran embassy. The Nine should support the government of the United States in this matter, which I will not go into too deeply as it is a very thorny question. Mr Vance is currently visiting a number of European capitals. I will not enquire as to the content of his conversations but I merely hope that, should it prove necessary, the Nine will be able to avert the charge that we only support the United States provided it costs us nothing. The price in this case is the attempt on the part of President Carter to find a solution without resorting to force. However, if economic measures or even sanctions should prove necessary, the Nine cannot opt out. Europe must not get into a similar position to Japan which is currently the target of serious criticism for the way in which it has profited from the decision on the part of the United States to suspend its imports of oil from Iran because of these hostages.

As regards the Madrid Conference, it is interesting to compare the various statements made by the Nine regarding Madrid over the last few months. Clearly the security aspects are an increasing cause for concern. With a view to avoiding a repetition of the failure in Belgrade, the Nine have made an early start on their preparations for the Madrid Conference. I welcome the fact that the security aspects, or 'basket 1', as they are known, will receive more attention than in the past. We should not forget the other two baskets but in view of the situation in Europe — I am thinking for example of today's NATO decisions — it is a good thing that the Madrid Conference is taking place in a realistic atmosphere. The European Parliament intends to organise a series of public hearings on this issue and I hope these too will be characterized by a sense of realism. In the preparation of the Madrid Conference not only must the contents of basket 1 be studied in detail, but the SALT III negotiations, which, I hope, will start in the near future, and the MBFR talks to be held in Vienna must also be considered.

I should just like to make one further point regarding Zimbabwe-Rhodesia: generally speaking, it is regarded as a positive thing if the Nine takes action in a particular field. Sometimes, however, circumspection is also a positive thing. The Nine demonstrated their support only tacitly in London. If the Conference is successful we must sincerely congratulate those responsible. I am pleased that the United Kingdom will again be represented temporarily in Rhodesia, particularly now that Sir Christopher Soames, a former member of the Commission, is to keep an eye on affairs in Salisbury.

**President.** — I call Mr Prag.

**Mr Prag.** — Mr President, my first task, unfortunately, because I do not really wish to continue our domestic quarrels in this Assembly, is simply to say to Mrs Castle, who gave us the usual dose of repetitious claptrap, that it was her Labour Government which failed to set an effective ceiling on the United Kingdom's contribution because it accepted a ceiling hedged around with so many conditions that it never operated; and to say, briefly, to Mr de la Malène, who is unfortunately not here, that he is quite right: the Community is not a perpetual renegotiation. But neither can it be frozen for ever, Mr President, as I suspect that he and his colleagues would like it to be, in its present incomplete form of what is essentially an agricultural community with a customs union. Europe must be much more. And it must provide us with political and economic security. What I want to talk about, and I hope I can be brief, is its failure to do so in the economic field.

Commissioner Tugendhat said yesterday that the budget is not just an accounting mechanism, it is also an expression of Community policy. One can only assume that his statement was an expression of hope rather than reality. The European Council in Dublin at the end of November said that Community action should be strengthened in the structural field. One supposes that by this ugly jargon the heads of government meant that regional policies, manpower policies, and employment policies should be strengthened, and in particular the restructuring of industry, so that the economic performances of the Member States should converge rather than diverge still further.

But what in fact, in the light of the statements from the Dublin summit, from the European Council, is the budgetary reality? The budgetary reality is that the Council of Finance Ministers, which should be an instrument at the service of the European Council, the heads of government, has actually cut regional spending; it has slashed expenditure on energy, industry and research, all three of which together amount to the miserable total of 418 m EUA in the draft budget; it has slashed expenditure on social policy, and we have seen the possibility of the vitally necessary improvement of job prospects through training and retraining and greater mobility of labour disappear. So, in view of the action of the Finance Ministers, there is no possibility of the Community as such having an economic policy in the structural field as the Dublin communiqué said.

The Regional Fund is far too small to have any noticeable impact on the divergencies in prosperity between the rich regions and the poor regions. The amounts

for industry, energy and research do not even qualify as marginal, they do not even qualify for the term 'peanuts', and in social policy the Council has severely mauled the Commission's relatively modest proposals for turning the Social Fund into at least a tiny instrument of policy.

The biggest failure to give Community action an effective dimension has, however, been in the field of investment. The European Council agreed that increased investment was of fundamental importance. Indeed, it is the only way of adapting our economy to the changes in production needed by the rapid development of competition, the only way of facing the challenge of micro-circuity and the only way of bringing economic expansion back to a significant level. And what does the Community contribute out of a total investment, excluding housing, a total fixed capital formation of about 150 billion units of account? We have the Ortolli facility, amounting to a total of one billion in 150 billion. So my first conclusion is that the total amount of the Community budget, at well under 1% of gross product — about 0.7% — is almost negligible as an instrument of economic policy.

My second conclusion, perhaps more surprising, coming as it does from someone sitting in this part of the House, is that we cannot turn the budget into an instrument of economic policy simply by cutting agricultural expenditure and expanding the other items, because even a perfect agricultural policy is going to take about 60% or 65% of the total of the budget. We should need a budget three or four times the present size to have a proper recasting in the sense of making the budget an instrument of policy.

I am not the person to advocate an increase in total budget expenditure, Mr President, nor indeed from my group does one expect it. In order to make the Community budget an instrument of policy, one would have to cut expenditure by national governments by an equal amount. What we have got at present is a budget which increases spending on agriculture and cuts the proportion of the whole of what the Dublin communiqué calls the structural field. The European Council and the Council of Finance Ministers have become two heads of a many-headed monster talking different languages and facing opposite ways.

I believe that we in this Parliament may not have adequate powers and our amendments to the budget may be marginal, but at least our amendments point in the right direction. Sooner or later, I believe, we must face the inevitable fact that only in the framework of a larger Community budget can we find a lasting solution to the problem of the British and

## Prag

Italian budgetary contributions, and only in the framework of a larger Community budget can the Community begin to give its people the economic security they rightly expect from it.

**President.** — I call Mr Haagerup.

**Mr Haagerup.** — *(DK)* Mr President, I can, I think, help you shorten this debate since, when one is a long way down on the list of speakers, it is often the case that part of what one wanted to say has already been said by other speakers — occasionally far better than one could have said it oneself. I can, therefore, refer to what, for example, Mr Colombo and Mr Ferguson and the two speakers from my group, Mr Bangemann and Mr Berkhouwer, have said, and point out that I share their views, without actually repeating them. Thus I only have one point to make, namely that we cannot state our solidarity with the USA in the current critical situation involving the hostages in Teheran often enough or emphatically enough. I should like to add in a personal capacity that it is high time that the various Member States showed this solidarity not only in words but also in deeds. The events in Iran involving the American hostages are so outrageous that the Community and its Member States must also disassociate themselves and protest in the strongest possible terms in both word and deed. We must do this for the sake of our own principles regarding the form law and order should take in the world, for the sake of all our own efforts and those of other countries to establish respect and international law and, finally for the sake of closer solidarity with the United States.

**President.** — I call Mr Romualdi.

**Mr Romualdi.** — *(I)* Mr President, ladies and gentlemen, as early as yesterday, speaking of the budget, we were somewhat premature in alluding to the insensitivity of the Council and the opportunities it has thrown away of taking due note of the political importance of our directly elected Parliament and the situation in which Europe and the world find themselves — a situation which is both new and serious. The European Council does not appear to have realized that its meetings are no longer meetings of individual governments, or individual Heads of State or government; it is rather an organ of the Community, of our European Community, of which — just like the Commission and the Parliament — it is and must consider itself an integral and indivisible part. We are not surprised at the failure of the Dublin Summit. The attitude adopted by Mrs Thatcher, who was determined to show to the Community the same determination which she is showing in dealing with her own domestic problems, is a well-known attitude, hardly likely to produce positive results from such a meeting. But — and Mr Colombo also drew attention to this in his speech — what was done to try to change this attitude? What was done to provide a better preparation

for the Dublin meeting? And in that case, why the surprise? What else could be expected? The whole thing led up to a postponement and we were saved by a procedural expedient. For the moment we have headed off British recourse to the 'empty chair policy', as has already been pointed out.

The problem now is to know how we are to make use of this postponement, how we are to prepare for the next meeting, how we are to set the date and decide on the methods. This is a problem for which the responsibility passes from the hands of the Irish President to those of his Italian successor. But it would be hypocritical, unjust and illogical to maintain that the responsibility will simply devolve upon the shoulders of the Italian government, which at this moment is far too weak to deal on its own with serious and important problems like these, or at least deal with them with any hope of solving them. But even if our government were a strong one — as perhaps it could be if it were not perpetually dependent for its survival on the worst elements in the Left-Wing — it is clear that it could not tackle or solve these questions on its own. A problem like the problem which brought about the failure of the Dublin Summit cannot, in fact, be reduced to a mere question of accounts, to a mere double entry, to the principle — as people say — of the fair return. It must rather be incorporated into the overall policy of political convergence, understood as an autonomous instrument of the life and the policy of the Community.

What we have said obviously implies other obligations, and other political responsibilities, above all the obligations and responsibilities of our Parliament, called upon today to reassert its prestige in the face of all the other Community bodies, starting with the Council itself. And also the obligations and responsibilities of our governments, of the political forces which we represent, which must show even more plainly and openly, in each of our Member States, which policy they want to see prevail in Europe and for Europe. After having drawn attention to the meagre results which have been achieved in these first six important months of collaboration between the elected European Parliament and the Council, after having drawn up a list of the meagre progress that has been achieved in what ought to have been the so-called common policies — from the EMS to the European Monetary Fund, and to the fundamental question of energy policy — after having reminded you of the failures in budgetary policy and consequently in social and regional policy and the total absence of results with regard to the battle against inflation and galloping unemployment, to remember that we have achieved a new Lomé Convention and made a few laboured steps forward in the Treaties covering the accession of Greece, Portugal and Spain and in our relations with Mediterranean and Middle Eastern States seems to us to be a some-

**Romualdi**

what pitiful source of satisfaction. It has been said that there are two philosophies of Europe: there is the philosophy of those who believe in Europe and have interpreted the election of the European Parliament as a fundamental achievement, a contribution and an increase in momentum for all the initiatives pointing in this direction; on the other hand, there is also the philosophy of those who supported this Parliament in order to cover up the total absence of initiative on the part of our Member State governments.

We number ourselves amongst those who wish to believe in the first philosophy. But there is no doubt that there are many factors which may lead one to think the opposite. This is the reason why some people have said that there may be two crises. The first may be the result of the disappointment felt by the members of the European public and may also derive from their sense of alienation from our work and from any kind of interest in the destiny of Europe. The other crisis may be the consequence of a certain sense of frustration on our part, the frustration of someone who is working hard and has the feeling he is achieving nothing. We reject both of these crises. For this reason we should now like to remind every member of this House of his own responsibilities, amongst which there is also the responsibility — if I may be permitted to say so — of concentrating his attention solely, or almost, on those problems that matter, ranging from the internal problems of the functioning of the various Community organs and the relationship between the various initiatives undertaken by our Community, whose report must be not only known but studied, developed and transformed into a genuine tool, to those political problems relating to the present situation of the world in which we find ourselves. I do not wish to enter into any kind of polemics, but when I think of the non-European problems, perhaps of a humanitarian nature, which we have interested ourselves in during recent months and when I think about the attitudes taken up on problems which are indisputably important, such as South Africa, Zimbabwe of questions like world hunger or human rights, which are certainly important when looked at from the point of view of our free Western society, I feel myself obliged to remind people, all the same, that our first task is to build a united Europe, not to construct a sub-species of the UN or the FAO or Amnesty International — bodies which, in any case, are already doing a very good job. We must be midwives at the birth of a new political Europe, attempting to solve these problems that may arise on such an occasion in the same spirit as that of the 180 million Europeans who, by electing us to this Parliament, obliged us to pledge ourselves not to betray this fundamental task, the only task, ladies and gentlemen, which can make it possible for us once again to have a role in this world worthy of ourselves, of our culture, of our civilization and of our determination to defend our freedom and our independence from every kind of threat and against all comers.

**President.** — I call Mrs Groes.

**Mrs Groes.** — (DK) Mr President, in the bulletin No PE 61 716 which has been distributed to Parliament and concerns the meeting of the European Council in Dublin on 29 and 30 November, it is stated on page 8 that 'the European Council confirmed its resolve to develop indigenous energy resources, particularly coal, nuclear and hydrocarbons and to promote the research and development programmes in the energy field with particular regard to renewable energy sources'. This has been reaffirmed today by the spokesman for the Council. The wording strikes me as a little strange since I know that at least one Head of State, namely Anker Jørgensen of Denmark, explicitly pointed out that we are prepared to collaborate in the further development of nuclear power only on condition that a solution is first of all found to the problems and safety and waste. This view is shared by the Socialist Group and should be the view of this Parliament as a whole.

We in the Socialist Group have noticed that the joint use of coal and nuclear energy is put forward as an alternative to oil. This is ingenious, but perhaps a little too ingenious and we therefore find it unacceptable. Anyone with the slightest notion of what is going on at grass-roots level in the Member States must know that the people in general are not in favour of nuclear energy. The only sensible thing, then, for us politicians to do is to tell the people quite calmly and unambiguously, 'We promise that you will not be exposed to risks arising from nuclear energy, we promise you that no money will be spent on the further development of these energy sources before a solution has been found to the problems of safety and waste'. This applies in the case of all nuclear power stations, regardless of whether they are in operation, under construction or still in the planning stage. Any reasonable person, regardless of his or her fear regarding energy policy, should be able to go along with this, for what can be so hopeless and depressing for a politician as endless debates and political strategies which one knows well — as we all do here — that the Member States, regardless of whether they want to or not, will not be able to put them into practice in their everyday politics back home.

Let us, therefore, be a little frank and realistic and say to each other, 'let us leave atomic energy for the time being and take an entirely new approach to energy policy'. And what could be a more natural basis for a new approach of this kind than the St. George report, which is full of good, practical ideas and can serve as a useful basis for practical results. We are unanimously agreed that we must take our real energy requirements as our point of departure and we are all against continuing with the current artificially high level of energy consumption. We must find out what we actually need, and then find out how to meet this require-

## Groes

ment. We know that we are by no means making full use of the available technological knowledge regarding the most efficient use of oil and natural gas. This is something we must do. We know that it would be sensible to use coal in power stations instead of oil but this changeover is by no means complete. We know that we could make far greater use of alternative sources of energy. Solar, wind and wave energy, straw and the use of the biomass represent sources of energy the scale of which we cannot at this stage assess simply because no Member State can claim to have succeeded in conducting an energy policy which was consistent in its use of indigenous resources of this kind.

However, the most important thing of all is, of course, overall social planning. Regardless of his or her political persuasion, I am sure everyone will agree that energy problems represent a field in which private solutions are highly inappropriate. What is needed is an overall approach — not in the sense that the Community will impose a particular energy policy on the various Member States, but in the sense that the Member States should be inspired to establish the pattern of national energy supply which results in the most economic use of energy. We know something about how this can be done. Optimum use must be made of indigenous energy sources and energy saving should be taken into account in town planning, housing and transport. Prices and taxation policy should be such as to encourage low consumption. We must think dynamically rather than statically.

The European Council should advocate ideas of this kind as this would create far greater respect for the Council's ability to act and genuine determination to solve the problems than the terribly depressing traditional — and, it should be noted, impractical — approach to energy policy reflected in the communiqué. I hope that both the Commission and the Council will take heed of the views of the Socialist Group and take this advice in the spirit in which it was given, since it is not only based on everyday experience and scientific findings but, to a far greater extent, plain common sense.

**President.** — I call Mr McCartin.

**Mr McCartin.** — I would like first, Mr President, to welcome the new Foreign Minister from Ireland, Mr Lenihan, and to say that I wish him well in his new responsibility. I am glad that a past Member of this Parliament is in this position. I hope it will contribute to his better understanding, and that of the Council in general, of our problems and responsibilities.

Referring to the new Irish Prime Minister, of whom Mr Paisley made mention a few minutes ago, I can say

that my leader back in Dublin, who cannot hear me, seems to be worried. It strikes me that Mr Paisley himself is also worried. If it will give him any comfort, I would just say to him that hardline politicians have been known in the past to change their views and their stance when they get into office.

I would like to mention the inconsistencies between what the Council of Ministers often says and what it does in practice, and to recall, as the previous speaker did, the attitude of the Council to the whole question of energy and the problems in the short, medium and long term. It lists the measures that need to be taken on the consumption and exploitation of resources and the greater efforts to be made in energy research, and then it simply reduces the amount of money available in the European budget for these measures. This terrible inconsistency is hard to understand, and it does indicate the terrible difficulties and muddle in which the present Council of Ministers finds itself in relation to so many policies.

In his speech the Minister made no reference to the Community giving further assistance for the development of our peat resources in Ireland. I would like to point out, as it may not be generally known, that we are second only to the Soviet Union in our gross production of energy from this source. We save about £ 100 million per annum and employ around 6 000 people. I think it is an area that requires greater development and can make a significant contribution to the saving of energy imports to the Community.

Short-rotation forest crops should also, I think, be seriously considered. They would have the effect of providing alternative land use in some difficult areas and could divert land and manpower from areas in which the Community has a sufficiency, or has the problem of surpluses, to an area in which we need further development. I think that, if proven viable, this source of energy could also have far-reaching consequences for the poorer and less developed areas of this Community.

The meeting of Heads of Government in Dublin almost foundered, I understand, on the question of inequitable budgetary contributions. This is an important question which merits examination if the Community is to develop harmoniously in the future. Nevertheless it is only one aspect of economic convergence, yet it has tended to eclipse the necessity for greater Community funds to reduce regional disparities within the Community. It is perfectly clear that the funds at present devoted to regional problems are grossly inadequate. Only a considerable increase in budgetary resources will be adequate to deal effectively with the problems we have within the Community.

## McCartin

This whole question is likely to arise when we reach the limit of our own resources, probably next year, and at any rate with the accession of Greece, Spain and Portugal. I must say that it is with absolute dismay that I hear people talking about fixing expenditures at the present level and re-allocating resources within a global overall figure. We should rather look forward to a future when an adequately funded budget will make the Community a real instrument for social and regional development. I am not one of those who will subscribe to the view that the power and the authority of this body need be in direct proportion or in any way parallel to the size of the Community budget, but I do wish to emphasise that regional, social and development cooperation programmes will only be of token proportions as long as we seek to work within the framework of our present financial limitations.

**President.** — I call Sir David Nicolson.

**Sir David Nicolson.** — Mr President, I start from the point that the Treaties say that economic and monetary union is an objective for the Community for the benefit of all our peoples. It is manifestly obvious that you cannot have economic and monetary union without convergence; and so the first thing we have to decide, surely, is whether we really want convergence, because I sometimes wonder whether we are really sincere in wanting convergence of the economies of our member nations. The Council is always saying so, but the Council does nothing really about it. How can you have convergence with the CAP running out of control, with major budgetary injustices, without adequate funds for restructuring or organizing industry, without adequate funds for regional policies and, above all without new 'own resources' being planned?

Why should we not have a common energy policy, which would do some of these things? It could be designed to create new resources. It could be designed to use the resources of the Community in coal and oil for the benefit of all, and it could manifestly help the British budgetary situation at the same time. But this is only one of the things which lie at our disposal. We could use the European Investment Bank much more. We could develop an international finance-corporation operation like that of the World Bank to assist in allocating resources to different industries. We could use the so-called Ortoli facility more to recycle OPEC surpluses and — one of the most important things of all — we could really set our minds to making this common market, this internal market, really work in the way it should do.

I shall give you just one example. We have different, independent, national standards institutions in each country. Each year they produce something like 800 different standards for products individually, and

many of these by their very nature are becoming non-tariff barriers and preventing a free market. Why cannot we address ourselves to proper harmonization in this area and have a proper EEC standards institution?

But dwarfing all these things, and most important of all and first of all, we need a new relationship with the Council of Ministers. We need new consultative, constitutional procedures. I believe we can forgive them their past arrogance, their procrastination and their resistance to change — and, I may say, their bad budget — if we have a genuine attempt with them to develop a new partnership formula for the future. I hope that the report of the Three Wise Men will show us the way towards this, and that we shall participate fully in the debate on their recommendations.

But time is short. I remind you that Europe badly needs leadership and that the world is watching to see whether this Parliament will offer any leadership. We must reverse the trend for Community operations to escape from democratic control and supervision, and we must make this Parliament a voice, a conscience, a philosopher and a policy-maker for Europe. And do not let anyone stop us! Let us not fear the challenge of change: let us go out and meet it, and let us make the change!

**President.** — I call Mr Galland.

**Mr Galland.** — (*F*) Mr President, in this gathering world storm which is threatening our future, I should like to tell the President of the Commission, Mr Jenkins, how much we appreciated his speech this morning. I also hope that Mr Ortoli will echo my sentiments, which reflect those of the Liberal and Democratic Group, for I do not feel that we are 'supranational', as we are so often accused of being in our own country. I have a sense of conviction in defending the interests of the French people who elected us, and I maintain that we must intensify convergence among the nine Community countries in certain fields.

Indeed, we must strengthen the common policy on energy, and to do this we need funds to carry out research and to innovate and invest together. As I said to the Commission during Question Time on Monday, telematics is an ideal field in which convergence can be transformed from mere words to a reality. For if, in this key sector of the future, we fail to pool our goodwill, technology and investment, we shall all be dominated by the Japanese and Americans. Convergence is also needed in monetary policy, transport, in the fight against unemployment, in cooperation and in the essential task of planning jointly for the Community's jobs of the future.

This is an obvious area for convergence, and Parliament has an exemplary role to perform. Perhaps I

**Galland**

should add that all this can and must be done without jeopardizing the achievements of the common policies which we shall be able to adapt and which will stand firm in the face of abuses.

There is a further aspect to this debate — the desire shown by numerous speakers, in particular by Mr Colombo and Mr Bangemann, who spoke so convincingly this morning, to assert Parliament's role, to ensure that the Council respects it and to demonstrate to public opinion that it is useful and effective. If we can overcome the scourge of excessive politization, our work and ideas may act as a guiding and driving force in the Community. This is what prompted me to submit to the Council, on behalf of the Liberal and Democratic Group, a question with debate for the plenary session in February, the subject of which was Parliament's contribution towards a solution to the problem of Britain's share in the Community budget. Parliament cannot be the only institution with nothing to say in this debate. But our deliberations must be constructive and make a genuine and valuable contribution by the next meeting of the Heads of State and Government. We should be guided by a Community spirit and by a desire to cooperate. The question is not whether we are content with a third of a loaf. In every home in the Community, the family spirit comes to the fore when the bread is shared out. It is shared according to the available means and the real physical needs of each member. And as far as I know, no one starves at the family table. But in every family there are rules and attitudes to be respected and accepted. Nothing would be more damaging, for many reasons, than a serious crisis which would paralyse the institutions, leave a vacant chair and — this is quite feasible — result in a Community of eight. The consequences would be harmful for the whole of Europe, and we must try to avoid them.

That is why the Liberal and Democratic Group has called for the debate with the Council in February; it will not enter into this in an argumentative or partisan spirit and hopes that Parliament, with the utmost goodwill, will submit its proposals to the Council and be the foremost symbol of Europe's renewed unity and effectiveness.

**President.** — I call Mr Almirante.

**Mr Almirante.** — *(I)* Mr President, I shall use the four minutes which you have granted me to comment on an Italian proverb and to make a proposal.

One of the proverbs current in my country — proverbs are a form of folk wisdom and our people, in spite of everything, are wise people or have, at least, become wise — says that 'its an ill wind that blows nobody any good.'

The attitude of the Council of Ministers and the rejection by the Council of the budget which we submitted

to them, indubitably constitutes an ill wind: but in some respects this wind is blowing some good. It has helped the Parliament — and I think I can say: the whole European Parliament — finally to become aware of itself, and not only in terms of prestige or authority — which in themselves would be important enough — but also in terms of its function and its outlook for the future. The fact is that we have taken up the challenge of the Council of Ministers, but we have taken it up not in terms of mere form or procedure, but rather in terms of the substance of the matter, answering a budget conceived by the Council of Ministers in a distorted manner, evincing the attitude of a mere accountant, with a budget which has been conceived, or drawn up at least, from a structural point of view. I hope that all the political groups present in this House and all the members, of whatever nationality, present here today will remember on future occasions, and I hope that they will all remember — I am quite happy to make the same appeal to the members of my own group — that to conceive and to desire a budget in structural terms is the same thing as conceiving and desiring a budget in social terms; and conceiving and desiring a budget in social terms means conceiving it in moral terms, which in turn means becoming aware of the function of our Parliament — from every point of view — as that of a genuine Parliament. For this reason I am sure, after this positive and perhaps even historic day in the life of the European Parliament, that no group in the future will ever attempt to preclude from the sphere of influence of the European Parliament, for base motives of political short sightedness or nationalistic or internationalistic hysteria, the right to look at the large structural questions, which are just as important as the purely budgetary questions — here I allude to the problems of common defence, common legislation, common social policies, as well as the problem of the guarantees which, through the intermediary of this Parliament, Europe must grant itself and its Community.

Now at this point I want to make a suggestion: since the ignoble document which I have in my hands, which you all have in your hands — that is to say, the communiqué from the meeting of the European Council in Dublin — finishes on a somewhat unfortunate note, informing the reader that a copy of the report drawn up by the three so-called Wise Men will be sent 'for its information' to the European Parliament, I suggest — I am speaking ironically, Mr President, naturally: this proposal of mine is not binding upon you in any way — that the European Parliament should transmit the same document 'for their information' to the voters of Europe, to the peoples of Europe, replacing however the signature 'Council of Ministers' by a somewhat better known signature, that of Pontius Pilate. Because this document is worthy of Pontius Pilate: it is the document of a Council of Ministers determined to 'wash its hands' of the whole affair, as

**Almirante**

we Italians say of any problem and any solution. With regard to inflation, the Council of Ministers says that this is a priority matter, that the hoped-for objectives have not been achieved and that the Council expects that it will be able to avoid an increase in the inflation rates. With regard to the European Monetary Fund, the Council confirms its intention of setting it up; with regard to economic policy and the matter of convergence, the Council says that the appropriate measures come within the purview of the Member States: Pontius Pilate once again! With regard to structural matters, the Council says that the Community's activities in this field must be reinforced, and at the same time it throws out a structural budget; with regard to employment, the Council invites the Commission to submit proposals to it; with regard to tele-informatics — and this is the last straw! — the Council hands over responsibility to the Council — in other words: the Foreign Ministers — ; with regard to fisheries, energy and sheep meat the Council passes the buck yet again to the Council of Ministers concerned; with regard to energy it commits itself to promoting development programmes and — what a brilliant idea! — says that great efforts must be made to promote a further dialogue with the oil-producing countries.

Pontius Pilate himself could not have done more or less than that, Mr President.

**President.** — I call Mr Seligman.

**Mr Seligman.** — Mr President, once more the European Council in Dublin has called for a common energy policy. This has become a parrot-cry repeated year after year, and the result has been almost nothing. The Irish Presidency can, however, be proud that they have succeeded in getting nine nations of the Community to accept the reduced oil-import targets demanded from Tokyo. That is an achievement which we must congratulate them on; it is good, but it is nothing like enough. It is not a common energy policy by any means. With the oil crisis threatening the entire economy of the West, the time has come to pursue positive energy policies — not just reduced demand, but increased supply and restored growth. We must aim at self-sufficiency in energy. We must aim at independence from the terrifying decisions of OPEC, who will be meeting in Caracas next week.

To many members of the Community, a common energy policy seems to mean sharing our North Sea oil; but this we are already doing: 56% of all our oil exports go to Europe, 28% of all our oil production goes to Europe. Furthermore under the International Energy Treaty of 1976, Britain and other members of the IEA are committed to supply additional oil to other members if supplies fall below consumption by more than 7%. So we are doing our part in sharing out North Sea oil if necessary.

But Britain, like many other nations who export oil and other raw materials, would much prefer to earn added value on the oil and coal rather than ship crude oil and coal: we would much prefer to export electricity — processed fuel, in other words. What we would like is that Britain should become a powerhouse for Europe. In 1983-84, a 2 000-megawatt electric power-line joining England to France should be coming into operation, and this might be the first small step towards a massive Community-wide electric power-grid. Electricity would be generated more cheaply near our coal mines and oil terminals, and a Community power-grid would give Europe some welcome flexibility in its power supply. It would be much less vulnerable to local political and trade-union interruptions, and much less vulnerable to droughts, which interrupt hydroelectric power supplies. Exporting electricity would also help to rectify Britain's negative balance of payments, which is so poisoning our Community relations at the moment. Britain has a fortunate heritage of ample natural fuel supplies, provided we can find the capital investment needed to exploit them efficiently, and we can back up these natural supplies with substantial nuclear power: our nuclear construction industry has spare capacity, and this needs to be revised. Let us therefore decide to expand the cross-Channel power-line feeding into the Community grid. Britain can then be fully employed helping to fill the European energy gap, helping Europe to achieve self-sufficiency in energy, which should be our aim for the year 2000 or earlier. This will be a truly positive Community energy policy: it will treat Europe as one united interdependent energy market. That was the vision of the Founding Fathers of the original Coal and Steel Community in 1951 that was the forerunner of our present Community.

**President.** — I call Mr Turner.

**Mr Turner.** — Mr President, many speakers in this debate have spoken about the reform of the institutions of the Community. I wish to talk about the total impotence of all the institutions of the Community which faces us at this particular moment because of one specific crisis, and that is the sheepmeat decision of the Court of Justice. I am not at all concerned with sheep, or with the parties. I am only concerned with the law. On Monday, Commissioner Giolitti gave the impression that the Commission was quite nonplussed as to what they were to do next about this problem. I think that this is the greatest problem that faces the EEC, because if we do not have a rule of law, it does not matter what we pass in this Parliament, what the Commission advises us to do and what we advise the Council to do. Nothing will matter if the laws are not obeyed. Now Mr President, looking at the Treaty I find myself almost as nonplussed as the

**Turner**

Commission, but not I hope quite as nonplussed. First of all, there is Article 164, which says that the Court of Justice shall ensure in the application of the Treaty that the law is observed; then there is Article 155 which says that the Commission shall ensure that the measures taken by the institutions pursuant to the Treaty are applied; then there is Article 145 which says that the Council shall ensure that the obligations of the Treaty are attained, and shall have power to take decisions; and there is Article 169 which says that the Commission has the obligation to bring the failure of a state to adhere to the law before the Court, and Article 171 which says that if a State fails to fulfil its obligations, that State shall be required to comply, but it does not say how it shall be required to comply, or who shall require it to comply, and that is the problem.

You will notice that in all these Articles it says that one institution or another shall ensure that this or that shall happen, but it does not say how this shall be ensured. We need an urgent decision now by the institutions of this Community to solve this problem. Only the Council is actually given power to make decisions in the Treaty of Rome in Article 145, and I feel that it is the duty of the Council to decide that it must make a decision which will enable it to ensure that the laws of the treaty of the Community are adhered to. I know that there is nothing in the Treaty which tells it to do so directly, but the very fact that the Treaty gives the Council the power to make decisions means that it is the only body which really has the power to break new ground here and solve our problems.

One thing we must remember all the time is this: we are not concerned with sheep, we are not concerned with Frenchmen, and we are not concerned with Britons. We are concerned with the law. We must never think of the parties in a particular case, because that leads to partiality. We must never think of the subject matter in a particular case, because that leads us to try to bend the law because of the circumstances. But if this Community is to survive, it must defend its laws, and Mr President, I do not know any easy way of doing that. All I know is that the Parliament must constantly say: we must defend the laws, and we must constantly ask the Council to make a decision to defend the laws, and I believe it can do so under Article 145.

**President.** — I call Mr Sarre.

**Mr Sarre.** — (*F*) Ladies and gentlemen, I am speaking on behalf of some of my political allies who have tabled a motion for a resolution concerning the Dublin summit, during which an agreement was signed which, in our opinion, poses a grave threat to certain fundamental human rights.

The agreement on the application of the convention for the repression of terrorism was signed by the nine

Ministers for Justice with astonishing discretion. In so doing Europe, which is always ready to preach human rights to the rest of the world — often justifiably —, abandoned one of its oldest expressions of freedom, the right of asylum. Understandably, this event was not announced with great ceremony. The system for the automatic extradition of political offenders, which forms the basis of the convention, is a severe blow to freedom and human rights in Europe. This right has been enshrined in many legislations for over two hundred years, and now it has been simply abolished.

The right of asylum has obviously never been absolute, but its limits used to be determined solely by the judicial authorities, with all the guarantees of the judicial procedure. Until recently, individual liberties were guaranteed exclusively by the judiciary. From now on, political offenders will be at the mercy of the executive powers and their agents. This is the automatic extradition rule. Judges have been stripped of their authority in these matters and will only be consulted for the sake of form, and their decisions will be determined by the international agreements entered into by their governments. There are no longer any solid legal guarantees for political offences, and the high-handed laws of governments will prevail. Even before the convention was signed some highly disturbing cases of extradition occurred, in particular in France, which were contrary to national legislation. And we feel that soon, when the convention enters into force, hasty justice, the flouting of liberties and secret extraditions will be the new laws of the European judicial area.

Parliament was excluded from these proposals, and the text was signed in a clandestine manner. This is unacceptable, and that is why, together with certain members of the Socialist Group, we are tabling a motion for a resolution to enable Parliament to voice its opinion, Protest against its exclusions and above all oppose this infringement of liberties.

Our position is simple: we should forcefully assert our desire to build a free Europe based not on the abolition of the right of asylum but on the extension of laws which most effectively protect human rights and civil liberties.

There is a further reason for holding a debate here. The Justice Ministers of the Nine are at this very moment preparing a draft convention for cooperation in penal matters which will give the European judicial area the image of a repressive police state. Automatic extradition will be extended to all crimes, and the Member States will have to extradite all wanted persons on a mutual basis.

We cannot remain silent on this issue, and we cannot be made to share the guilt through our silence. We cannot accept such a situation, and we want to make this point clear.

**President.** — I call Mr Ortoli.

**Mr Ortolí, Vice-President of the Commission.** — (F) Mr President, my reply will be all the more brief in that most of the remarks made or questions put were addressed to the Council, which was unable to be represented here for reasons of which you are aware and which have great importance for our Community.

Our institutional rules prevent me from speaking for the President of the Council. As for the President of the Commission, he informed you very clearly of our opinion on the European Council held in Dublin and our intention that the policies which have been adopted on some important questions be developed in practice in a constructive spirit and with real efficiency.

In this connection I would like to repeat what Mr Jenkins said, namely that the Commission is determined to play its full part in the various matters which have been mentioned.

When agricultural policy is discussed in this Parliament, the debate is very general and a range of problems is brought up, sometimes from very different points of view. Our practical contribution was that less than a month ago we submitted a package of proposals. It is therefore not my intention to make a speech about the common agricultural policy. We think that it must be consolidated by means of the measures which the Commission has proposed. There are now practical proposals on the table which can be debated. For my part, I hope that the guidelines we have proposed and the measures we have taken can be supported by all the Community institutions, and particularly that Parliament will associate itself with what the Commission has proposed and hopes will come to fruition. I could speak in equally practical terms — I apologize for being practical after the wide-ranging considerations we have heard in today's debate — on the question of the British contribution to the budget.

After what was said by the President of the Council and by the President of the Commission following the debate on convergence which took place here, I shall not go over the whole of that question. I shall confine myself to saying that the Commission has proposed guidelines. From now on they form the basis of reflections, detailed analyses and proposals which we will have to develop. We intend to do so — and here I am replying to some of those who are concerned about them — in the spirit and within the rules of the Community, without seeking either the 'fair return' or to undermine the principle of own resources. As of now we are committed to this action. In future we shall therefore speak to you here about it in practical terms rather than in terms of principles. In this context, I would like to make two or three remarks.

Firstly, the search for a better balance within the Community between the various policies — particularly in favour of structural policies — is a line which

the Commission proposes and to which it is committed.

Secondly, when talking of convergence one should not mention only the problem of financial aids for the development of a number of regions or a number of countries. That is only one element of it, and as one speaker reminded us, there is also a whole financial policy of the Community, especially the policy of loans which it has recently initiated. There are other elements which are equally basic. No transfer of resources or additional financing will have its full effect if the overall policy of the Community does not bring about convergence leading to greater growth, less unemployment and greater stability. Consequently, when one discusses convergence one should not concentrate solely on its financial aspect as several speakers have rightly said. We should also be aware that this Community has other aims and other means to achieve them. Monetary stability, the need for which is sometimes questioned, is one of the ways in which we can bring about greater growth, help to bring about a certain balance in the world and ensure that we follow once more a more satisfactory road to economic and social development.

In this context I should like to remind you of something which some of you seem to have forgotten, namely that the Commission has been the main defender of concerted action by the Member States which would recognize our interdependence and thereby provide better means for growth, i.e. by enabling us to benefit from the fact that by pooling national efforts we multiply their effects. This, too, cannot be achieved by regulations or a budget. It belongs to the realm of politics and must be regarded in that light, as one of the elements of the most successful form of convergence, which would enable us to resume satisfactory and balanced growth with the necessary stability.

Finally — and I feel obliged to take up an idea which has been expressed by several speakers here — let us not forget that convergence depends also on a range of national efforts, on policies followed within the Member States themselves. To entertain in any form the idea that the Community can carry out on their behalf what should be done by each citizen and by the national institutions as a whole is to commit a serious error which we should avoid.

With regard to energy, I must tell you that I share the hope expressed by others that we will be able to debate it more fully here next year on the basis of a broader analysis than that which has so far been debated. I believe that the energy challenge is the most important or one of the most important challenges confronting us, both for economic reasons — for the increase in energy costs contributes to inflation, makes more difficult an improvement in the balance of payments, and has an effect on the develop-

**Ortoli**

ment of international trade — and because we must tackle all the practical problems posed by the energy crisis for the future — i.e. for five ten or twenty years hence.

We are therefore not dealing with a problem which can be brought into balance by means of a better macro-economic policy, but with one which must be tackled with great vigour and in the knowledge that we must make changes and implement a long-term policy. That, indeed, is a question which Europe would do well to debate. In this respect, I am completely in agreement with those who said that this structural aspect had perhaps not yet by any means been sufficiently developed in our Community.

Moreover, I would add that here too the term 'common policy' must be understood in its correct sense. There are common policies whereby a group of activities become the responsibility of the Community. There are others whereby means are pooled. Some of these were mentioned this morning. Activities are also developed by means of a range of measures, by greater consultation or by making Europe's voice heard more in discussions, particularly at international level.

I should like to make one more comment, Mr President. Some have said of the European Council in Dublin that it had aroused doubts and misgivings, and that perhaps it had not dealt in sufficient depth with the serious problems confronting us. However, it seems to me necessary that the government representatives — those responsible for policy in Europe — should discuss how to overcome our internal difficulties, not in order to be able to leave aside the serious problems facing us, but, on the contrary, to enable the Community to tackle them. The significance of the discussions which took place in Dublin, is that far from disregarding our urgent problems, they aimed, on the contrary, to give the Community greater internal vigour, greater dynamism and greater ability to act externally. And, that in my view is the aim we must set ourselves, bearing in mind that to overcome today's problems is a way of winning our battles. For the Community needs to be strong.

If I had to draw a conclusion from this debate and from the majority of the comments which I have heard, I would say — as Mr Colombo said very forcefully and with great conviction — that the criticisms, questions and occasional expressions of approval clearly reveal an impatience to endow Europe with the ability to solve the problems which are common to our citizens and our nations. And I wish to say to you that this is the very spirit in which the Commission, for its part, wishes to carry out its task.

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

**12. Agenda**

**President.** — I would ask Members who had questions down for Question Time, to inform the secretariat whether they wish, in accordance with Rule 47A, to receive a written reply, or to have their question placed on the agenda of the January part-session<sup>1</sup> I call Mr Patterson

**Mr Patterson.** — We do in fact have five minutes in which we could take Question Time. The author of the first question is here in the House. Could we not now move to Question Time?

**President.** — I am sorry, but I have five minutes of announcements to make.

**Mr Patterson.** — Mr President, the next item on the agenda is Question Time, not five minutes of announcements.

**President.** — The first announcement is that at the beginning of tomorrow's sitting Parliament shall elect — on the basis of proposals from the Bureau — the members of the *ad hoc* Committee on Women's Rights.

**13. Agenda for next sitting**

**President.** — The next sitting will be held tomorrow, Thursday, 13 December 1979, from 10 a.m. to 1 p.m., from 3 p.m. to 8 p.m. and from 9 p.m. to midnight with the following agenda:

- Decision on urgency of a proposed directive, a report and two motions for resolutions;
- Appointment of members of the *ad hoc* Committee on Women's Rights;
- Dankert report on the 1980 general budget and the outright rejection of this budget;
- Jackson supplementary reports on Sections I, II (Annex) and V of the 1980 general budget;

*10.30 a.m.:*

- Vote on the 1980 draft general budget and the motions for resolutions contained in the Dankert report and Jackson supplementary reports;

*Following this vote, or at 3 p.m.*

- Possibly, vote on the second reading of draft amending and supplementary budget No 3 for 1979 and on the motion for a resolution contained in the Dankert report;
- Voting time;
- von Bismarck report on the annual report on the economic situation in the Community;
- Ferri report on intervention by Parliament before the Court of Justice;
- Joint debate on
  - the Catherwood motion for a resolution on the Tokyo Round,

<sup>1</sup> See Annex.

**President**

- the Schmitt report, the Caretoni Romagnoli report and the Giummarra report on regulations on imports into the Community;
- Lega report on the Staff Regulations of officials of the Communities;
- Key report on the allowances of Members of the Commission.

I call Mr Spicer on a point of order.

**Mr Spicer.** — There was a good deal of confusion this afternoon about Question Time and its cancellation. I think it is right and proper that the House should be informed at what time that decision was taken, and I would hope that tomorrow morning it might be possible or us to be so informed. As you, and most other people in this House well know, the institution of Question Time came in against a good deal of opposition. It has worked extremely well.

I personally supported the decision of the Chair, which was supported, as I thought, by the leaders of all the groups, that in an emergency situation we had to cancel Question Time. But I should like to have a

fuller explanation tomorrow as to exactly why we were not informed at the moment when that decision was taken by the President of the Parliament and by the leaders of the groups, so that we would have all had an opportunity to have been here for a fuller explanation — and, indeed for a fuller vote. Because I feel that I have been slightly led down the garden path, which can be a pleasant experience, but on this particular occasion I do not think it was.

**President.** — I am sure all Members of the House whatever their particular view this afternoon may have been, are anxious to see Question Time continue, and to see it succeed. I am therefore sure it will be right to pass on your remarks to the presidency, and to read into them such lessons as can be learned on how to avoid these situations in the future, which are essentially tied up with the details of the timing. The Chair will do its best in future to avoid these situations.

The sitting is closed.

*(The sitting was closed at 7.00 p.m.)*

## SITTING OF THURSDAY, 13 DECEMBER 1979

## Contents

1. Approval of minutes .....	179	Point of order: Lord Harmar-Nicholls .....	197
Mr Collins .....	179	Explanations of vote:	
2. Documents received .....	179	Mr Pannella; Mr De Goede; Mrs Boserup; Mr O'Leary; Mr Sutra; Mr Bonde; Mr Gendebien .....	198
3. Agenda .....	180	Mr Colombo; Mr Dankert .....	200
4. Decision on urgency .....	180	Adoption of the resolution tabled by the Committee on Budgets (Doc. 1-581/79):	
Sir Henry Plumb, chairman of the Committee on Agriculture; Mr Newton Dunn; Mr Luster; Mr Collins; Mr Ippolito; Mr Mun- tingh; Mr Klepsch (EPP); Mr Berkhouwer (L); Mr Wurtz; Mr Pannella (I) .....	180	Rejection of the draft budget .....	201
Point of order: Mr Berkhouwer .....	183	Point of order: Mr Klepsch .....	201
Mr Klepsch (EPP) .....	183	Mr Jenkins, President of the Commission ...	201
Point of order: Mr Capanna .....	184	Points of order: Mr Spicer; Mr Scott- Hopkins; Mr Paisley; Mr Klepsch; Mrs Ewing .....	201
Mr Klepsch .....	184	7. Urgent procedure .....	203
5. Membership of committees .....	184	8. Amending and supplementary budget No 3 for 1979 — Supplementary report by Mr Dankert on behalf of the Committee on Budgets (Doc. 1-598/79) .....	203
6. General budget of the European Communities for 1980 (vote) .....	184	Mr Dankert, rapporteur .....	203
Point of order: Mr Bonde .....	184	Mr Gundelach, Vice-President of the Commission; Mr Dankert .....	204
Mr Dankert, rapporteur .....	185	Amendment to Chapter 65 .....	206
Mr Lenihan, President-in-Office of the council; Mr Dankert; .....	185	Explanation of vote: Mr Baillot .....	206
Mr Lenihan; Mr Lange, chairman of the Committee on Budgets .....	187	Adoption of the resolution .....	206
Explanations of vote:		9. Votes .....	206
Mr Scott-Hopkins (ED); Mr Arndt (S); Mr Klepsch (EPP); Mr Bangemann (L); Mr Fanti (COM); Mr Ansquer (EPD); Mr Baillot; Mrs Castle .....	189	Hoff motion for a resolution (Doc. 1-582/79): Fixing of ECSC levies .....	206
Points of order: Mr Spicer; Mr Collins; Mr Rogers .....	195	Point of order: Mr Cottrell .....	206
Explanations of vote:		Explanation of vote: Mr Damette .....	206
Mr Petronio; Mr Lomas .....	195	Adoption of the resolution .....	206
Points of order: Mr Simpson; Mr Galland; Mr Pannella .....	196	Mr Lange, chairman of the Committee on Budgets; Mr Scott-Hopkins .....	206
Explanations of vote:		Point of order: Mr de Courcy Ling .....	207
Mrs Ewing; Mrs Bonino (I); Mr Romualdi ..	196	10. Decision adopting the annual report on the economic situation in the Community — Report by Mr von Bismarck on behalf of the Committee on Economic and Monetary Affairs (Doc. 1-559/79) .....	208

<i>Mr von Bismarck, rapporteur</i> .....	208	<i>resolution by Sir Fred Catherwood (Doc. 1-561/79) and the reports by Mr Schmitt, Mrs Caretoni Romagnoli and Mr Giummarra (Docs. 1-545/79, 1-546/79 and 1-548/79), all on behalf of the Committee on External Economic Relations</i> .....	238
<i>Mr Wagner (S); Mr Giavazzi (EPP); Sir David Nicolson (ED); Mr Bonaccini; Mr Damseaux (L); Mr Deleau (EPD); Mr Petronio; Sir Fred Catherwood; Mr Moreau; Mr I. Friedrich; Mr Hopper; Mr Fernandez; Mr Nyborg; Mr Admirante; Mr Vetter; Mr Herman; Mr Balfour; Mrs Roudy; Mr Caborn; Mr Ortoli, Vice-President of the Commission</i> .....	210	<i>Sir Fred Catherwood, author of the motion</i> .	238
11. <i>Agenda</i> .....	231	<i>Mr Schmitt, rapporteur</i> .....	239
12. <i>Membership of committees</i> .....	231	<i>Mrs Caretoni Romagnoli, rapporteur</i> .....	240
13. <i>Intervention by Parliament before the Court of Justice — Report by Mr Ferri on behalf of the Legal Affairs Committee (Doc. 1-478/79) Mr Ferri, rapporteur</i> .....	231	<i>Mr Giummarra, rapporteur</i> .....	240
<i>Mr Gundelach, Vice-President of the Commission; Mr Sieglerschmidt (S); Mr Janssen van Raay (EPP)</i> .....	232	<i>Mr Seeler (S); Mrs Lenz (EPP); Mr Welsh (ED); Mrs Poirier (COM); Mrs Agnelli (L); Mrs Chouraqui (EPD); Mr Paisley; Mr Martmet; Sir John Stewart-Clark; Mr Caretoni Romagnoli; Mr Seal; Mr Enright; Mr Haferkamp, Vice-President of the Commission</i> .....	242
<i>Point of order: Mrs Macciocchi</i> .....	234	15. <i>Allowances and representation expenses of Members of the Commission — Report by Mr Key on behalf of the Committee on Budgetary Control (Doc. 1-537/79)</i> .....	257
<i>Mr Prout (ED); Mr Delorozoy (L); Mrs Macciocchi; Mr Vernimmen; Mr Ferri; Mr Gundelach</i> .....	234	<i>Mr Key, rapporteur</i> .....	257
14. <i>Tokyo Round — Regulations on Community imports — Joint debate of the motion for a</i>		<i>Mr Wettig (S); Mr Notenboom (EPP); Mr Kellett-Bowman (ED); Mr Tugendhat, Member of the Commission</i> .....	
		16. <i>Agenda of the next sitting</i> .....	261

## IN THE CHAIR: MRS VEIL

*President*

*(The sitting was opened at 10.30 a.m.)*

**President.** — The sitting is open.

I should like first of all to apologize for the delay in opening the sitting. In view of the far-reaching implications of this morning's vote, I felt I ought to grant the request of several political groups to open the sitting 30 minutes later.

1. *Approval of minutes*

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

Are there any comments?

I call Mr Collins.

**Mr Collins.** — *Madam President*, in yesterday's minutes there is a difference between the English text and the

Dutch text. Yesterday morning I had the misfortune to move urgent procedure on a motion on behalf of my committee (Doc. 1-555/79/rev. II). The President declared, when I lost the vote, that this motion would go back to my committee, the Committee on the Environment, Public Health and Consumer Protection, from where it had come. In fact the English text this morning tells me that it has been referred to the Legal Affairs Committee, while the Dutch text tells me that it has been referred to the Political Affairs Committee. Perhaps somebody would care to clarify the position for me.

**President.** — The necessary will be done to ensure that both versions are identical and in accordance with the regulations.

2. *Documents received*

**President.** — I have received various documents:

- a) the following motions for resolutions, tabled pursuant to Rule 25 of the Rules of Procedure:
  - by Mr Vergeer, Mr Müller-Hermann, Mr Estgen, Mr Vandewiele, Mr Herman, Mr O'Donnell, Mr

## President

Bersani, Mrs Walz, Mr van Aerssen, Mr Fischbach, Mr Sälzer, Mr Fuchs, Mr Konrad Schön, Mr Rinsche, Mr von Wogau, Mr Tindemans, Mr Spautz, Mr Blumenfeld, Mr Notenboom, Mr Clinton, Mrs Maij-Weggen, Mr Schall, Mr Ryan, Mr Croux and Mr Langes, on behalf of the Group of the European People's Party (CD), on the siting of nuclear power stations (Doc. 1-588/79 rev.),

which has been referred to the Committee on Energy and Research;

— by Mr Sarre, Mr Glinne, Mrs Lizin, Mr Van Minnen, Mr Estier, Mr Motchane, Mr Jaquet, Mrs Charzat, Mrs Roudy, Mrs Cresson, Mr Sutra and Mr Oehler on a European judicial area and the European agreement on the suppression of terrorism (Doc. 1-593/79),

which has been referred to the Legal Affairs Committee as the committee responsible and to the Political Affairs Committee for its opinion;

- b) a motion for a resolution by Mrs Maij-Weggen, Mr Beumer, Mrs Boot, Mr Penders, Mr von Wogau, Mr Fischbach, Mr Estgen, Mr Sayn-Wittgenstein-Berleburg, Mr Langes, Mr Konrad Schön, Mr Majonica, Mr Hoffmann, Mrs Moreau, Mr d'Ormesson, Mr Janssen van Raay, Mr Van der Gun, Mr Mertens, Mr Bersani, Mr Seitlinger, Mr Tolman, Mr Jonker and Mr Narducci, on behalf of the Group of the European People's Party (CD), on pollution of the Rhine (Doc. 1-597/79);

- c) from the committees, the following reports:

— by Mr Luster, on behalf of the Legal Affairs Committee, on the proposal from the Commission to the Council (Doc. 1-275/79) for a regulation laying down the trade arrangements applicable to certain goods resulting from the processing of agricultural products (Doc. 1-590/79);

— supplementary report by Mr Dankert, on behalf of the Committee on Budgets, on the outcome of the Council's deliberations on the amendments and modification adopted by the European Parliament to the draft amending and supplementary budget No 3 of the European Communities for the 1979 financial year (Doc. 1-598/79);

— by Sir Henry Plumb, on behalf of the Committee on Agriculture, on the proposal from the Commission to the Council (Doc. 1-560/79) for a directive amending Directive 66/403/EEC on the marketing of seed potatoes (Doc. 1-595/79).

### 3. Agenda

**President.** — I have received from Mr Glinne, on behalf of the chairmen of the political groups, a request for the removal from the agenda of this part-session of the report by Mr Lega (Doc. 1-584/79), which is on today's agenda. I propose that Parliament agree to this request.

Are there any objections?

That is agreed.

### 4. Decision on urgency

**President.** — The next item is the decision on the urgency of several documents.

We shall begin with the *proposal from the Commission to the Council (Doc. 1-560/79): Seed potatoes.*

I call Sir Henry Plumb to present the opinion of the Committee on Agriculture.

**Sir Henry Plumb.** — Madam President, the Committee on Agriculture met last night to consider this amendment. The measures, one will note, only affect seed potatoes imported into Italy from Canada, and the Commission proposal aims to extend this possibility of a regulation only until 31 March 1980.

The Committee on Agriculture unanimously supported the recommendation of the Commission, and we ask for parliamentary approval, hopefully, Madam President, without debate.

**President.** — I put the request to the vote.

Urgent procedure is adopted.

I propose to Parliament that this item be entered without debate on the agenda of Friday, 14 December 1979, and I hope that the Committee on Agriculture will accordingly submit a report as soon as possible.

Are there any objections?

That is agreed.

**President.** — We shall now consider the *Newton Dunn report (Doc. 1-570/79): Chlorofluorocarbons in the environment.*

I call Mr Newton Dunn.

**Mr Newton Dunn, rapporteur.** — Madam President, as rapporteur I should like to urge Parliament to vote for urgent procedure for this report.

Chlorofluorocarbons are gases used in aerosols. Once released from an aerosol they do not decay, they rise into the stratosphere, and it is strongly believed that they damage the ozone layer in the stratosphere. That ozone layer protects us from ultra-violet radiation. If the ozone layer is damaged, there will be an increase of radiation on the earth's surface causing possible skin cancers.

Two years ago this Parliament asked the Commission to propose compulsory measures by the end of 1979 to reduce the use of chlorofluorocarbons. The Commission has done so. Meanwhile the USA has banned totally the use of chlorofluorocarbons in aerosols. Now we have the Commission's proposals, and the Economic and Social Committee has finished its report on these proposals. Next week — and this is the key reason for asking for urgency — the Council of Environment

**Newton Dunn**

Ministers is to meet and is, I understand, ready to consider these proposals. If Parliament today refuses urgent procedure to deal with this report this week, the Council will be unable to deal with the proposals next week.

If we refuse urgency today, this Parliament must accept responsibility for half a year's inaction in Europe until the next Council in June 1980, when the USA has already banned these gases and aerosols. That will mean half a year's further decay in the ozone layer, half a year's possible extra skin cancers around the world, and all because this Parliament would not accept urgency. I urge this Parliament to take this report as an urgent motion.

*(Applause from various quarters)*

**President.** — I call Mr Luster, who wishes to speak against urgent procedure.

**Mr Luster.** — *(D)* Madam President, on behalf of my group I should like to ask the House not to adopt urgent procedure; The enlarged Bureau considered this question of urgency in full knowledge of the facts and circumstances just described and came to the conclusion that, in view of the very full agenda, it would not be appropriate to deal with this question during this sitting. I should like, if I may, to point out that similar cases exist. The Legal Affairs Committee decided almost unanimously to request that an item on producers' responsibility be placed on the agenda; this request, too, was rejected for the same reason, and we understand and appreciate why. We therefore ask all those who consider urgent procedure to be important in this matter to understand that the agenda would be overloaded if we were to deal with this — admittedly very important — question.

**President.** — I call Mr Collins.

**Mr Collins,** *chairman of the Committee on Environment, Public Health and Consumer Protection.* — Madam President, I must say that I am very disappointed for the second morning in succession to hear somebody speak on behalf of a political group in respect of a motion for urgent procedure in this fashion. There are two issues here. One is that the very nature of this problem means that inaction can cause a great deal of harm indeed, and Parliament therefore should be considering urgent procedure as a matter of urgency because of the nature of that problem.

It should also be considering urgency because the original proposal came from Parliament, and the Council of Environment Ministers meets next week. As Mr Newton Dunn has said, unless we debate this this week, unless it is in the hands of the Environment Council next week, we shall have six month's inactivity. Out of regard for our own concern, out of regard for past Members of this Parliament, we should be

supporting urgency in this case. I appeal to the House and I appeal to those Members of the Christian-Democratic Group who are members of my committee to support the committee line on this.

*(Applause from various quarters)*

**President.** — I call Mr Ippolito to speak in favour of urgent procedure.

**Mr Ippolito.** — *(I)* Mr President, the problem of the destruction of the ozone layer in the upper atmosphere is one which has serious consequences for public safety and the incidence of skin cancer, but it is not caused only by the products which the honourable Member has mentioned. Another factor of equal importance is the amount of kerosene left in the upper reaches of the stratosphere by supersonic aircraft.

I therefore feel that Parliament should make its views known as soon as possible, because discussion of these problems of the destruction of the environment cannot be put off indefinitely if we are not to jeopardize the health of future generations. I am thus in favour of urgent procedure, so that we can bring this problem to the attention of the Council of Ministers of the Environment.

**President.** — I put the request to the vote.

Urgent procedure is adopted.

*(Applause)*

I propose to Parliament that this report be placed on the agenda of Friday, 14 December.

Are there any objections?

That is agreed.

I call Mr Muntingh.

**President.** — We shall now consider the *motion for a resolution by Mr Muntingh and others (Doc. 1-592/79): Pollution of the Rhine.*

**Mr Muntingh.** — *(NL)* Madam President, by removing last week for the third time the ratification of the Agreement on the pollution of the Rhine from the agenda of the French National Assembly, the French Government has caused an extremely serious environmental scandal and, what is worse, is continuing to dump millions of tonnes of toxic waste — since salt is toxic — into the Rhine. For years France has been dumping millions of tonnes of salt into the Rhine right here under Parliament's very nose and is thus poisoning the drinking and irrigation water of its neighbours, friends and Community partners.

**Muntingh**

The Socialist Group feels that, when the International Commission on the Protection of the Rhine deals with the scandalous affair next week, the opinion of the European Parliament must be known. We also feel that, faced with such a serious measure as that taken by the French Government last week, Parliament cannot but react quickly and effectively in this matter, which is so important for the environment. Therefore the Socialist Group would like to see this motion dealt with by urgent procedure.

I should like to make one remark to finish, namely that I am aware that the Group of the European People's Party also intend to table a motion for a resolution on this subject. If Parliament, as I expect and hope, goes on to adopt urgent procedure for our motion, I would ask you to take into account, in fixing the time of the debate on the subject, of the fact that the Group of the European People's Party will also be tabling a motion for a resolution.

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

**Mr Klepsch.** — (D) Madam President, the previous speaker has already drawn attention to the fact that my group has tabled a motion without urgent procedure. Our motion on the same subject ought in fact to have been printed and distributed. I also note that the Liberal and Democratic Group has also tabled an oral question with debate on the same subject. Since it would be a good idea for the International Commission on the Protection of the Rhine to receive some indication of Parliament's opinion next week, my group is prepared to vote for urgent procedure if the other two documents — that is if we debate the matter on Friday — are included. We would have welcomed it — and I am not speaking here for all the members of my group — if the document could have been dealt with in committee, and this for one simple reason. I should like to say for the benefit of the author that the French Government is not in breach of the convention on this point, but is doing all it can, as far as we know, to proceed in accordance with this convention. The author should have spoken in his own group with his French colleagues, since the majority of the French Parliament ...

(Applause)

... which is responsible for the disastrous results he describes consists after all of French Communists, French Socialists and members of the Group of European Progressive Democrats who are in this House. So if he criticizes the situation so violently, it is not the French Government which is being attacked — and I should like to stress this — but the majority of the French Parliament. We should not lose sight of this fact when dealing with the subject.

I would therefore request that, if we adopt urgent procedure, we proceed as just suggested by the author of the motion and include our motion. I could of course

make a formal request for urgent procedure so that we would have to vote on yet another request tomorrow morning. But I think we can do without that if there is general agreement in the House.

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

**Mr Berkhouwer.** — (NL) Madam President, I believe that it is the task of this Parliament to exercise its supervisory powers over the Community institutions of Council and Commission, to exercise supervisory powers jointly with these institutions and to enter into debate with them. I do not think that it is our task to accuse a national government or a national parliament. That is our basic point of view. But let no one think that the Liberal Group does not fully share the concern over the pollution of the Rhine.

On Monday we tabled an oral question with debate to the Council, since we wanted to see the Council and the European Council doing something about this. We wanted to have a debate with the Council on the subject as soon as possible, but the Council has refused to do so this week. This means that we shall be having the debate with the Council in January.

Therefore there is no need for us to pronounce today or tomorrow a hurried judgement on the parliament of one of our Member States. This is not our task. We must urge the European institutions to action; they must do something about the pollution of the Rhine. Therefore my group will not support the Socialists' initiative.

**President.** — I call Mr Wurtz, who wishes to speak against urgent procedure.

**Mr Wurtz.** — (F) Madam President, ladies and gentlemen, I shall explain the reasons why we, the French members of the Communist and Allies Group, are against urgent procedure for the motion for a resolution on pollution of the Rhine.

If the aim were to talk practically and seriously about the pollution of the Rhine, we would be the first to be glad about it. But the aim behind today's motion is something completely different. Behind the convenient alibi of wanting to clean up the Rhine, the Bonn Convention actually hides a typical European integrationist war machine aimed at an important feature of France's national wealth.

The aim of the Bonn Convention has never been to clean up the Rhine but rather to deal a blow, if possible a mortal one, to the Alsatian potash mines. So the legitimate interests of Dutch farmers serve as a pretext for a completely different kind of operation! You dare not admit openly that you are the defenders of the European salt cartel.

Wurtz

What annoys this cartel is that Alsace possesses potash deposits which are among the largest in the world, and it knows that potash is a basic element in the manufacture of fertilizers, of which French agriculture is one of the world's largest consumers. It is this that arouses the cupidity of the salt cartel of which you are making yourselves the defenders.

*(Protests and loud laughter from certain quarters)*

Very well, I would ask those of you who are sneering one question: why are you concealing from public opinion that the Alsatian potash mines have always asked for the salt to be used for what it is, namely not a waste product to be dumped into the Rhine but a raw material, particularly for the chemical industry? Why are you concealing from public opinion that, under pressure from the salt cartel, the French Government has always refused to authorize such use? I quote their names: BASF in the Federal Republic of Germany, AKZO in the Netherlands, Solvay in Belgium, and Rhône-Poulenc and the Salines du Midi in France.

Why are you concealing from public opinion that there are sound, realistic, specific and detailed solutions which would make it possible to reduce the discharge of salt into the Rhine by 50 % and to use this salt without substituting it for the salt currently marketed in France?

You are concealing all this from public opinion in the hope that the Alsatian potash mines will be taken not for what they are, namely the victims, but for what they are not, namely the culprits.

It is a masterpiece of hypocrisy, as is definitely customary in this Parliament whenever it is a question of defending the interests of a few multinational capitalist concerns — interests which you are ashamed to admit.

We Communists are proud of being in the forefront of those who, despite the inadmissible pressures exerted by some of you on the French Members of Parliament, have forced the French Government to capitulate in the face of the demands of our people at a time when it was preparing to capitulate in the face of the demands of the European salt cartel.

We are obviously aware that this is only a beginning, that the spectacular success which we have just had — and your resentment is a further illustration of it — is for us an unprecedented encouragement to continue the struggle, not only to save the potash mines but also to ensure that France's sovereignty is respected.

*(Applause from the extreme left)*

**President.** — I call Mr Pannella.

**Mr Pannella.** — *(I)* Madame President, I just wanted to point out that the last speech only proved the urgent need for this debate, although it infringed the Rules of

Procedure in going into the merits of the question. Madame President, unlike those who, in following certain right-wing traditions — which maintain the law of the jungle of profits and capitalism, whether it be State or private — are trying to reconcile the needs of industry with the need to destroy the environment and the need to ignore human rights, we feel that this debate should take place tomorrow. When someone behaves in one way in Paris and in another way in Strasbourg, I can hardly fail to note the heartwarming inconsistency. What I am worried about are the unfortunate inconsistencies of someone who, while claiming to speak on behalf of the people, appears to be speaking here — even if he uses state capitalism as his alibi — in exactly the same terms as those who were speaking, and have always spoken, in defence of the uncontrolled profits of private capitalism.

**President.** — I put the request to the vote.

Urgent procedure is adopted.

I propose to Parliament that this motion for a resolution be placed on the agenda of Friday, 14 December 1979, and that, in accordance with the request by Mr Klepsch, the motion for a resolution by the Group of the European People's Party (CD) — (Doc. 1-597/79) be dealt with at the same time.

Are there any objections?

That is agreed.

I call Mr Berkhouwer on a point of order.

**Mr Berkhouwer.** — *(NL)* Madam President, if you intend to have the motions tabled by the Christian-Democratic Group dealt with jointly, I would ask you to investigate whether and how the document tabled on Monday by the Liberal Group can be included in the debate in its original form.

**President.** — This question will be submitted to the enlarged Bureau, which is due to meet this afternoon and will examine the possibilities of complying with your request.

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**President.** — We shall now consider the *motion for a resolution by Mr Vergeer and others (Doc. 1-594/79): The tragic plight of refugees, particularly children, in the Horn of Africa.*

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

**Mr Klepsch.** — *(D)* Madam President, since we have so little time left — after all, we want to deal with the budget — I should like to state my reasons briefly. We feel it is necessary to make public opinion aware of the

### Klepsch

escalating situation in this region and that appropriate measures will have to be taken; this is why we have tabled this motion.

**President.** — I call Mr Capanna on a point of order.

**Mr Capanna.** — (I) Madame President, I think I have the support of all Members in asking you why Mr Vergeer's motion for a resolution does not specifically indicate the 21 names required under Rule 14 of the Rules of Procedure, I am of course aware that, since the European People's Party has 108 Members, it can easily muster 21 signatories. Nevertheless, all the heading to this document says is that the motion for a resolution is tabled by Mr Vergeer and 21 other signatories.

When we, for instance, table a motion for a resolution for urgent debate, we have to indicate all 21 names. In this case, the European People's Party can dispense with the bother of putting all the names under the motion. I think this is something which might create a precedent unworthy of the work of our Parliament.

**President.** — I call Mr Klepsch to reply to Mr Capanna.

**Mr Klepsch.** — (D) Madam President, the phrase 'Mr Vergeer and 21 other signatories' was used in the heading because the Secretariat asked us to do so. You obviously have a list of signatures, and any Member can consult it. There may now be a dispute as to whether the 21 names should have been printed in full. But if Mr Capanna has any doubts, he can consult the President's list. The reason may only have to do with the way in which the documents are produced. But I should like to stress once again that twenty-two Members signed this motion for a resolution.

**President.** — Since I have before me a photocopy of the original of the request for urgent procedure, I can confirm that it contains at least twenty-one signatures.

I put the request to the vote.

Urgent procedure is adopted.

I propose to Parliament that this motion for a resolution be placed on the agenda of Friday, 14 December 1979.

Are there any objections?

That is agreed.

### 5. Membership of committees

**President.** — As you know, Parliament decided during its October 1979 part-session to set up an *ad hoc* Committee on Women's Rights.

Pursuant to Rule 37 of the Rules of Procedure, the enlarged Bureau has considered the following

35 nominations forwarded to it following an agreement between the groups and the non-attached Members:

Mrs Hoff, Mrs Wiczorek-Zeul, Mrs Roudy, Mr Enright, Mrs Lizin, Mrs Groes, Mrs Van der Heuvel, Mrs Fuillet, Mrs Cassanmagnago Cerretti, Mrs Gaiotti de Biase, Mrs Maij-Weggen, Mrs Lenz, Mrs Schleicher, Mr Michel, Mr Simonnet, Mr Narducci, Mrs Roberts, Mr Howell, Mr Johnson, Mrs Hooper, Miss Brookes, Mrs Forster, Mrs Squarcialupi, Mrs Jacqueline Hoffmann, Mrs De March, Mr Ferrero, Mr von Alemann, Mrs Simone Martin, Mr Combe, Mr Calvez, Mrs Chouraqui, Mrs Dienesch, Mrs Macciocchi and Mrs Dekker.

Since the number of nominations is the same as the number of seats, the enlarged Bureau recommends that Parliament elect these candidates by acclamation.

(Applause)

These candidates are thus elected. The constituent meeting of the committee will take place at 6 p.m. today.

### 6. General budget of the European Communities for 1980 (vote)

**President.** — The next item is the report by Mr Dankert on Section III (Doc. 1-581/79) and the report by Mr R. Jackson on Sections I and V and the Annex to Section II (Docs 1-577, 1-578 and 1-579/79) of the draft general budget of the European Communities for the 1980 financial year, as modified by the Council.

I call Mr Bonde on a point of order.

**Mr Bonde.** — (DK) Madame President, perhaps I am being a little slow on the uptake here but I am not one of those supermen who make decisions during the night and appear to make more sensible decisions the less sleep they have had. I have been trying this whole week to find out what system of voting is to be used on these budgetary questions. So far I have not been able to discover how abstentions are to be regarded, i.e. are they to be included with the votes cast when calculating two thirds or three fifths or are they to be disregarded? I should be grateful for a clear answer from the President on this point.

There has also been uncertainty regarding the sequence of the various proposals. I should like to ask whether we are to vote on the Dankert report as a whole, or whether we are to vote on the various proposals individually item by item?

Thirdly, there is the question of the nature of the negative majority required for rejection. I refer here to Article 6 of the Implementing Procedures for Examination of the General Budget of the European Communities which states that the reasons for a proposal to reject the draft budget as a whole may not be contradictory. As far as I can remember in connection with the points adopted regarding the

Bonde

second budgetary treaty in 1975, this provision was introduced as a pre-condition for adherence to this treaty, at least on the part of the Danish Government. For this reason, I should like to ask the Council of Ministers how the provision regarding the negative majority is interpreted. Does the Dankert report contain mutually contradictory reasons? Do only the votes count or do the grounds also count?

Fourthly, Madam President, the statements we have discussed tonight in consultation between the delegation of the Committee on Budgets and the Council of Ministers are not yet available in Danish. I must therefore point out that the People's Movement cannot take part in decision making if the working documents are not available in all the working languages. I hope some of these questions can be answered.

**President.** — I think that Mr Dankert, rapporteur, and Mr Lenihan, President-in-Office of the Council, will be able to answer your questions.

I call Mr Dankert.

**Mr Dankert, rapporteur.** — Madam President, I think the logical order of vote would be to start with the vote on rejection, and I think the Assembly should so decide. Then there is the question of how to proceed further. I am aware that we need a two-thirds majority for rejection. In my view, that means that the resolution as a whole has to be adopted by a two-thirds majority. I think it would be possible to vote on the motion for a resolution, if so desired, paragraph by paragraph. I do not think there is the slightest objection to that. I am in doubt on the majority required, but I think if we adopt the resolution as a whole by a two-thirds majority, a normal majority would suffice in the vote paragraph by paragraph, because we have to vote for a coherent resolution in which there are no contradictions, so the resolution as a whole is decisive as far as the requirements concerning the qualified majority are concerned.

Apart from that Madam President, I regret that there were no texts in Danish. Our translators and interpreters have worked like hell tonight, being active until five in the morning. I have to apologize, but it was not possible.

**President.** — I call Mr Lenihan.

**Mr Lenihan, President-in-Office of the Council.** — Madam President, Article 203 (8) is quite clear:

However the Assembly, acting by a majority of its Members and two-thirds of the votes cast may, if there are important reasons, reject the draft budget and ask for a new draft to be submitted to it.

I agree with Mr Dankert's interpretation. That is the ruling to be interpreted, if there is any dispute, by the European Court of Justice.

**President.** — On the draft general budget of the European Communities for the 1980 financial year, I have a motion for a resolution tabled by Mr Dankert on behalf of the Committee on Budgets, proposing total rejection of the budget, and an amendment — the three others having been withdrawn — tabled by the Liberal and Democratic Group to this motion for a resolution.

I call Mr Dankert.

**Mr Dankert, rapporteur.** — Madam President, at this morning's meeting, the Committee on Budgets did agree to take on board and to incorporate in the resolution the amendment proposed by the Liberal and Democratic Group to paragraph 3, which points out that Parliament's action is designed not to call into question the principles of the common agricultural policy, but to control the growth of agricultural expenditure so that this growth does not threaten to consume all the Community's own resources, thus, in the long run, posing the greatest possible threat to the common agricultural policy itself. I might add that the Committee on Budgets itself expressed this view. I think that statement makes it clear to Parliament that the Liberal group amendment is incorporated by the Committee on Budgets in its resolution.

I do not know whether you want me to deal now with what else happened in the Committee on Budgets, or whether you want me to wait until procedural questions have been decided.

**President.** — I think it would be as well if you dealt with that now.

**Mr Dankert, rapporteur.** — As I said already, because of translation problems, the Committee on Budgets was informed very early this morning that its delegation had concluded its consultation with the Council of Ministers at a rather late moment — at five this morning. The delegation reported to the Committee on Budgets on the outcome of the meeting, and further information on that meeting was supplied by the President-in-Office of the Council, Mr Lenihan, to the Committee on Budgets.

The delegation had throughout discussions regarded the principle points of discussion as a single package on the basis of paragraph 38 of its resolution of 7 November, the last part of which reads:

... but insists that it could only agree to the adoption of the budget if the unjustified cuts carried out by Council for non-compulsory sectors are overturned, if the first moves to control agricultural expenditure have been achieved, and if the European Development Fund and all the Community's lending and borrowing activities are included within the budget.

Madam President, it was on that basis that discussion with the Council took place, and after long discussions there was in fact a proposal by Council on all of these items, sometimes on Council's initiative, sometimes after efforts of compromise on both sides. That led in

### Dankert

the first place, to follow the order of the resolution of 7 November, to a statement by the Council to the effect that the Council was ready to increase non-compulsory expenditure for commitments above the margin by an amount of 200 million units of account. The Council declared that this was an absolute and definite offer that could not be negotiated. It was an offer that had to be seen in terms of the whole package and one that could not be dissolved from that package.

The Council further declared — though this could not be made binding on Parliament, I would say — that it wished the money to be spent on structural purposes, mentioning, specifically the Regional Fund and the Social Fund.

On agricultural expenditure, Madam President, on the basis of a proposal by the rapporteur — at, I think three in the morning the Council finally proposed the following text:

Council and Parliament agree that they will, by way of a draft rectifying budget to the 1980 budget on the basis of a Commission proposal for a preliminary draft, draw the budgetary consequences of the decisions, notably in the dairy sector, which the Council will take as early as possible on the basis of Commission proposals, including those of 29 November 1979, Parliament's proposals for modification of 7 November 1979, and the Council guidelines of 21 June 1979 on the co-responsibility levy. The Council agrees with Parliament that these budgetary consequences must ensure a curbing of budgetary expenditure on agricultural guarantees.

Madam President, this proposal is the same as the one made to the Council by your rapporteur in an individual capacity, on the basis of a request by the Council for a compromise. Personally, I would have been able to live with that text, if the spirit of its interpretation by the Council and by Parliament had been exactly the same, and a basis of confidence could have been established. I have to declare here that the delegation's position on such a text — though not on this particular text — was that it was, on the basis of Parliament's proposals for modification of 7 November, indispensable for the delegation to try to find an agreement with Council basically consisting of a statement which would ensure that decisions on excessive spending on surpluses would be disconnected from price decisions. We have been turning around that area for a considerable period of time, and it was a basic part of our motivations that such a separation had to be clear and definite, one that could be relied on.

Madam President, I have to say that after having put the question in a direct and straightforward way to the Council, the Council in the delegation meeting did not give a clear reply, and in the absence of a clear reply, I have to conclude — and the Committee on Budgets anyhow concluded — that this text cannot be a sufficient basis, because it offers no guarantee that decisions on the development and cost of surpluses and

decisions on prices will be really separate decisions, and not directly related in the same package.

Therefore, the Committee on Budgets decided this morning that this proposal by the Council inspired by your own rapporteur, was insufficient. In view of the fact that I have my doubts about the spirit of the Council in this field, I agree with the final conclusion of the Committee on Budgets on this point, although I would note that, from the Council's side, there has been a great effort made for compromise. But I think we have failed to achieve a compromise to which both parties could agree.

Madam President, I turn to the third point, the problem of budgetization of the European Development Fund and the Community's lending and borrowing operations, both included in Parliament's resolution on eventual rejection of 7 November. The text on the budgetization of the European Development Fund proposed by Council reads as follows:

Since the Commission in its preliminary draft budget proposed budgetization of the European Development Fund, an agreement has been found on financing of the Fund which involves financing the Member States on an *ad hoc* scale. On the occasion of the transmission of the draft budget, the Council will also transmit as an annex information in relation to the European Development Fund. The Council is ready to re-examine the question of the budgetization of future EDFs.

Madam President, it is clear from this statement that this EDF will not be budgetized, while it depends on the Council — and it does depend on the Council. That is the first thing. There is also no guarantee in this statement that the next EDF will be budgetized. So from that point of view, this statement goes, I would say, even less far than the statement made by the Council in 1975. The Committee on Budgets therefore decided that it did not meet the criteria agreed upon in the 7 November resolution.

There was a bit more progress, even if no firm guarantee, concerning the budgetization of borrowing and lending operations. There, the Council undertakes to conclude within a period of six months its examination of the Commission's proposal to amend the Financial Regulation with a view to reaching a common position. In that case, such a common position would enable Parliament and the Council to find a solution acceptable to both sides of the budgetary authority.

Madam President, here again of course, the problem of adaptation arises. In fact this situation has already been prevailing for three years, and if the Council is of good will this time, it could work. But if agreement is not reached, it will not work, and so here again one has no firm commitment by the Council, only the expression of a direction, as far as Council is concerned at the moment. But it can change next month. The problem is that this statement is insufficiently firm, even if it

**Dankert**

represents some progress compared to the situation over the last few months.

At its meeting this morning the Committee on Budgets concluded on the basis of the three conditions set out in its resolution of 7 November 1979, that it was not possible in these circumstances to recommend adoption of the 1980 budget. It therefore confirmed by 24 votes to 5, with one abstention, the report which it had tabled on the total rejection of the 1980 budget. The Committee on Budgets also decided to recommend to Parliament that the motion for rejection should be considered as the *question préalable*, and should therefore be the first question on which the plenary Assembly should be invited to decide. This motion for a resolution, as now amended by the Committee on Budgets, could be put to the vote as a whole, as it constitutes a proposal for the rejection of the budget together with explanatory statement.

(Applause)

**President.** — I call Mr Lenihan.

**Mr Lenihan, President-in-Office of the Council.** — Madam President, Ladies and Gentlemen, I have asked for the floor for a few moments to ask the Members of this Parliament to reflect very carefully on the choice now before them. This morning in the Committee on Budgets I was surprised to hear one Member say that the rejection of the budget is not a serious matter. It is a very serious matter — and make no mistake about it — because it brings out into the open a deep conflict between Community institutions, and this is something which we cannot afford today as far as our citizens are concerned.

(Protest and laughter)

The whole essence of the Treaty of Rome is to ensure coordination and cooperation between the institutions of the Community. The only way ...

(Interruptions from the floor)

... in which this Community can make progress is through cooperation between the three institutions of Parliament, Council and Commission.

(Mixed reactions)

I would like to emphasize that in this particular instance there was a total commitment to cooperation and help by the Council towards the Committee on Budgets in conciliation and concertation yesterday. We met for over 15 hours, and every single point that was sought by Mr Dankert was met in the various texts, which he very fairly has now spelled out for you. You will have noticed that he went through them very fairly, and admitted himself that it is entirely his text in regard to the main resolution ...

(Protests)

... and that all of the suggestions put by himself and other members of the committee were met in the subsequent text. As well as that, there is now, on the table, an offer of an increase of 200 million units of account, which, I might say, is the largest increase ever agreed to by the Council.

The seriousness of this matter is that the rejection of the budget and the wrangling that will continue over the months ahead cannot but do damage to this Community, particularly in regard to its image with its peoples. This Community can only proceed on the basis of political will and understanding between the institutions

(Mixed reactions)

We had a number of meetings, as I said, yesterday, finishing up at 5 o'clock this morning; the texts that resulted from these meetings show a considerable advance in the relative positions of Parliament and the Council. There is complete agreement on the situation existing between Parliament and Council as regards the joint budgetary authority. There is a full statement in the lead-in to the text where Parliament and Council agree jointly on the text to which Mr Dankert referred.

Similarly, at every stage in the text, Parliament as an institution is given the very same position *vis-à-vis* decision-making as the Commission and the Council of Ministers. There is a complete equality of recognition as regards the three institutions in the various texts.

I would make a particular appeal here to the Members of this Parliament, to which I was very proud to belong for some time, to remember that this is a serious situation. Apart from the waste of time and energy and resources in unnecessary technical haggling and wrangling, there is, as I said, the wrong image portrayed to our people. Above all else, there is a slowdown in Community progress, where the Community is essentially dependent for progress on inter-institutional cooperation. In no other way can this Community — because of the way it is structured — proceed ahead. Because of the way the three institutions are structured under the Treaties, and the way they have developed over the years, it is essential that they work together. It is not like the adversary situation that exists in many of our national parliaments. It is an entirely different situation, one that requires concertation, consultation and working together.

There is nothing to be gained from creating a confrontation situation, either in regard to our credibility with our peoples, or with regard to the efficient working of the Community's affairs. On both of those grounds — our respect and credibility with our people and the efficient working of the Community — it is essential to proceed on the basis of concertation and consultation.

### Lenihan

It is a very unwise step to move into the area of confrontation between Community institutions, and that is the real danger facing this Parliament at the present time. The real danger of voting against this budget and not continuing with the sort of excellent conciliation and concertation meetings that we had yesterday, where every single proposal that was put was met honestly by the Council, and proceeding instead on the road to confrontation, is very serious. I dispute the assertion that was made by one Member this morning at the committee meeting that there was no seriousness involved. It is serious, and anybody who thinks seriously about this Community must regard it as serious.

I personally think that tremendous progress was made at our meetings yesterday and today. I want to congratulate Mr Dankert in particular for the moderate manner in which he made his presentation this morning. We did get along very well together, and we arrived at positions, in my view, that are exactly similar. If there are people who don't want to make progress by way of agreement through conciliation and concertation, well then, those people are doing a grave disservice to this Community. As far as Mr Dankert is concerned, he produced the main text yesterday, and we accepted it absolutely and *in toto*, without one comma of a deletion ...

*(Interruption: 'That is not true!')*

I have tremendous respect for Mr Dankert; he and some other Members were very sensible in these consultations. I would ask all the sensible and moderate parliamentarians who are here to have regard to the future of this Parliament within the Community, and to have regard above all else for the Community itself and the citizens of the Community

*(Protests; applause from the Group of European Progressive Democrats)*

President. — I call Mr Lange.

Mr Lange, *chairman of the Committee on Budgets*. — (D) Madam President, ladies and gentlemen, Mr President-in-Office of the Council, I apologize for asking for the floor once again; some of you may feel that I could have let this matter pass. But I do not believe I can simply allow Mr Lenihan's remarks to go unchallenged.

*(Applause)*

I am sorry to see an erstwhile Member of this House — and Mr Lenihan himself drew our attention to his former status — get into such a position of conflict with his one-time colleagues. Nevertheless, I think we should try to stick to the facts. If the Council had done more than just express its sympathy in the course of the first conciliation meeting on 23 November, and if it had given concrete form to these expressions of sympathy in

preparation for the second reading rather than simply rejecting all Parliament's major proposals, we should be in a completely different position today.

*(Applause)*

Mr Lenihan, you will no doubt recall that this morning, I said that the appeal you addressed to us should in fact be addressed to the Council itself. We agree that the European Community institutions must cooperate with each other. We agree that we should do our best to find solutions to these difficult problems to ensure that the Community can continue to develop normally.

Well then, should you be obliged as a result of the proposal put forward by the rapporteur for the Committee on Budgets — and remember that the vote has not been taken yet — to submit a new draft budget for 1980, you will then have the chance to put into practice what you apparently expect of us, and what you yourself prepared the ground for on 23 November. You will then have the chance to cooperate with us in the way both you and we want. In other words, there is nothing to stop us reaching agreement on a budget which takes far more account of Parliament's proposals, rather than reflecting only the Council's proposals.

*(Applause from various quarters)*

There is one other thing I think I should put you right on, Mr Lenihan. You said that this last text on agricultural policy was Mr Dankert's proposal. Not at all — it was your proposal, the second amended Council proposal, which Mr Dankert tried to increase on behalf of the European Parliament. However, as Mr Dankert pointed out earlier, it was impossible to get an unequivocal reaction from the Council on separating the structural problems, which we believe to be essential to reduce surplus production, from discussion of price problems.

No reaction was forthcoming from the Council on this point. You were not prepared to say that these things should be discussed and solved separately. In fact, certain members of the Council stated explicitly that the structural problems could not be solved in isolation from the discussion on prices.

Let me say once again, Mr Lenihan, that this was the position adopted by the European Parliament on 7 November and it remains valid today. You said yourself quite categorically that all four points — agricultural problems, non-compulsory expenditure, the budgetization of lending and borrowing and the budgetization of the European Development Fund — constituted a single, inseparable package. We cannot simply pick out one thing or another to make it more acceptable to you. We can only try — along the lines of the proposal put forward by Mr Dankert — to persuade the Council to change its mind and thus make possible genuinely fruitful cooperation within the Community in the interests of the Community on the

**Lange**

basis and within the framework of the Treaties. So I cannot regard your appeal to us as the justifiable step you think it to be, and for this reason, I would redirect the appeal to the Council itself in the hope that the Council will be prepared to learn its lesson.

*(Loud applause)*

**President.** — Explanations of vote may now be given.

I call Mr Scott-Hopkins to speak on behalf of the European Democratic Group.

**Mr Scott-Hopkins.** — Madam President, this is a very important moment in Parliament's history, and I would say to the President-in-Office that we do indeed take this extremely seriously. It is a matter of great importance to the Parliament, and indeed for the future of the European Community.

I must say to the House and to you, Madam President, that we have decided in my group that we shall have to vote for the rejection of the budget.

*(Applause from certain quarters on the left)*

We have not found sufficient cause to be able to accept the explanations given by the President-in-Office. We do this more in sorrow than in anger. And we accept that the efforts to find a compromise were serious and genuine on the part of the Council, as indeed they were on the part of this House during the long hours of yesterday and last night.

It is greatly to be regretted that Council were not able to move far enough, particularly in the agricultural sector, to give a quite firm and definite indication that they really did not want to fudge the issue and that they did want to restructure the budget before getting into the turmoil of the agricultural price review. I regret, and we regret, that they were not able to do that.

Our reason for rejection is quite clear, Madam President: the balance of this budget is wrong; it is therefore a bad budget. The balance is wrong as between the agricultural sector and the other sectors, as has already been said by Mr Dankert. The balance is also wrong within the agricultural sector itself. Efforts have been made by this House to change that, but unhappily they were rejected by the Council. Our group has therefore taken the decision to reject this budget.

Although, as the President-in-Office has said, we shall be entering to a certain extent into uncharted fields, were the Council to ask the Commission to do so, the Commission would be ready at a very early stage to present a new preliminary draft budget. I sincerely hope that the Council will take that step, bearing in mind the lessons that have been learned from the last few days and the last few hours, and ask the Commission to present a new preliminary draft budget at the earliest possible moment which will take due account of the

objections and views of Parliament in respect of the previous one. I hope the Council will take this seriously. This is what we want, and I believe that the Council and Commission between them can do that.

As I have already said, we vote for the rejection of this budget more in sorrow than in anger, but firmly in the belief that it is the right thing to do, not only for this House, but indeed for the future of the Community which I and my group hold dear to our hearts.

*(Applause from the European Democratic Group)*

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

**Mr Arndt.** — *(D)* Madam President, the Socialist Group has devoted a great deal of effort to this debate and the ensuing decision. A fortnight ago, we stated explicitly that, if the Council were to submit an acceptable new proposal before the final vote, we should be prepared to re-think the situation and change our mind if the proposal proved to be really acceptable. We now have the Council's proposal in the three major questions. As you know, one condition we made was that the cuts in the non-compulsory section should be reinstated. Our second condition was that steps should be taken to reduce surplus production in the agricultural sector, and the third condition was that the European Development Fund should be included in the budget.

Let me start with the question of surplus production in the agricultural sector. On this point, we have a proposal submitted by the Council in which the Council agrees with the European Parliament that something needs to be done. We also have a proposal from the Council which says that the Council intends to put forward a proposal by roughly this time.

No clear-cut view has crystallized in this respect within the Socialist Group. Some members of the Group felt that the Council's statement represented a major advance and really filled the bill. The majority of the Socialist Group, however, felt that this formulation — particularly with respect to the timing of the additional proposal concerning an increase in the budget — was still too imprecise. I should like to leave you in doubt as to the fact that there was a difference of opinion on this point. In particular, the French members were of the opinion that the Council had put forward an acceptable proposal on agricultural policy. Let me repeat, though, that the majority of the Socialist Group felt that, although the Council's proposal represented a step forward, it did not meet our conditions

The second point concerns the cuts in the non-compulsory section of the budget. Here the Socialist Group was at one in deploring the Council's attitude. The proposal to make available only 200 million EUA of the money we demanded constitutes a

**Arndt**

rejection of this House's proposals with regard to employment policy, the fight against unemployment — particularly among women and young people — regional and structural policy, social measures in the iron and steel industry, energy policy — particularly the development of new sources of energy — transport policy, environmental and consumer protection. In other words, as far as our second condition is concerned, we can see practically no major convergence of our proposals and those of the Council.

Our third condition concerned the European Development Fund. We cannot go along with the Council's attitude because the Council has still not said it is prepared to incorporate loans and the Development Fund in the budget; instead, it has only promised to go into the subject without prejudice to the legal situation hitherto. Here again, then, our condition has not been met. We in the Socialist Group have therefore come to the conclusion that, above all, the conditions with respect to the question of the cuts in the non-compulsory part of the budget and the question of loans and the Development Fund have not been met. Even those of our number who felt that there was definitely some degree of *rapprochement* in the agricultural sector finally came to the conclusion that, in view of all three conditions, the budget would have to be rejected. I am therefore empowered to say on behalf of the Socialist Group that we shall be voting for the motion for a resolution tabled by the Committee on Budgets and will therefore reject the budget.

We agree with you, Mr President-in-Office of the Council, that this is a serious situation, although it does not amount to a crisis. We believe that the Council will now have the chance to go into this question again, and I do not believe that we shall be harming the Community's image by deciding to reject the budget. The Community's image would only be damaged if this House did not produce an overwhelming majority for the policy which the Council itself believes to be right, but which it has not in fact implemented. The Socialist Group recommends rejection of the budget.

*(Applause)*

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

**Mr Klepsch.** — *(D)* Madam President, I should like to begin by making it quite clear that we do not believe today's decision will generate a crisis, but that this is a perfectly normal process which can be used as part of the budgetary process whenever there is no other way of getting round the situation. It is enshrined in the Treaties, and what we are doing here in this House fully accords with those Treaties.

I am rather surprised at the statement which is supposed to have been made by a member of the Committee on Budgets to the effect that this is not a serious matter. I cannot believe that any member of the Committee really

said such a thing because — as the debate has shown — we are all agreed in thinking that we must cooperate to solve the Community's problems in the interests of the people of Europe, and that this is the principal motivation for our work here.

Let me say quite frankly that, although we do not want to keep harping on this point, we might have achieved a generally satisfactory result if the Council had shown the same degree of willingness to discuss matters in the first round of conciliation talks as it has now at the eleventh hour. I should, however, like to thank the Council most sincerely for taking the initiative on this second round of discussions shortly before our decision was due, and thus giving us the chance at least to enter into serious discussion. The Council feels that the package which was, so to speak, dumped on the table of the Committee on Budgets cannot and should not be looked at bit by bit. The Council's view was that the whole package was either acceptable or unacceptable, which meant that all the facts and the results of last night's discussions had to be taken into account.

Just by the by, I would say that a lot of people who were involved in the negotiations found it rather depressing that two hours were spent discussing a conceptual definition which had hitherto gone unchallenged; indeed, it is perfectly understandable that those present got the impression that all that some of the participants were concerned about was to put as restrictive an interpretation as possible on the rights of the European Parliament. This just goes to show how much time is sometimes needed for these matters. If more time had been available, we might have got a bit further. But overall, we are glad that an extensive exchange of opinion took place on all points.

Moving onto the result itself, I would sum up the situation by saying that a vote for the budget would constitute a vote for the stagnation of the Community ...

*(Applause from various quarters)*

... That cannot be in the interests of this House. We have gone to a great deal of trouble in analysing the outcome of the discussions, but I must also admit that the discussion also brought us a lot of bitter disappointments, for instance on the budgetization of loans. The Council's attitude on this matter has now reached a point at which it is prepared to concede us less than it would have done in 1977. But I do not want to follow on from the previous speaker in discussing all the individual aspects. We were presented with a package of proposals, and we have now subjected that package to careful attention. The result of our discussion was that in none of the crucial areas did we reach the measure of agreement which we regarded as a minimum aim.

For this reason, I should like to say on behalf of my Group that, if this House decides today to reject the

## Klepsch

budget, we hope that we shall soon have an opportunity to reach a more balanced decision than is possible here today. We hope to see cooperation from the Commission, and we are absolutely convinced of the importance of cooperation between the various Community institutions. But there is one thing I must make perfectly clear at this point, which is that the directly elected European Parliament is not just a body that can be told it can go so far and no further and which can be relied on to grant another institution excessive powers of decision-making. We demand to be recognized as an equal partner in the decision-making process at Community level.

*(Applause from various quarters)*

Madam President, I should like to point out that there was and still is a minority in my Group which is prepared to accept the proposal submitted by the Council. I must make this point because otherwise my Group's explanation of vote would be incomplete.

*(Applause)*

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

**Mr Bangemann.** — *(D)* Madam President, I should like to address my remarks first of all to the President-in-Office of the Council, because in his speech he addressed an appeal to what he called the 'sensible' Members of this House. I should like to inform Mr Lenihan — although I am sure he knows it already — that my Group could at no time be accused of wanting to exacerbate the situation or of adopting a stance which could have resulted in a crisis between the Community institutions without giving a sensible explanation of its conduct. On the contrary, at a very early stage, when I think a majority of this House would have been prepared to reject the budget without conciliation, we insisted on exhausting every possible means of conciliation. And I should like to thank the Members of this House who, by accepting these procedural proposals, helped to bring about yesterday's conciliation session; after all, the mere fact that we put in these long hours together to try to find a solution is, in my opinion and in the opinion of my group, a genuine step forward.

We also made it clear right from the outset that my group, the Liberal and Democratic Group, shared the feelings of the whole of this House. This matter, Madam President, is not one of party politics, nor of national attitudes; the point at issue here is the rights of the whole European Parliament.

*(Applause from various quarters)*

That is why we have always made it perfectly clear that our readiness to explore every avenue of compromise will not prevent us from joining all the other groups in this House when it comes to defending the rights of the

House. I should therefore like to state on behalf of my group that we shall be voting for rejection of the budget.

*(Applause from various quarters)*

And I should like to tell you why we shall be doing so. I was unable to attend the first part of the conciliation session yesterday, but I was there from 8 o'clock in the evening until 5 o'clock in the morning. When I heard discussion going on at about 8 o'clock in the evening about whether Parliament and Council could be called the budgetary authority, I could not believe my ears. I have been a Member of the European Parliament for 8 years and a member of the Committee on Budgets for the same length of time, and everybody here in this Parliament knows — and the Council knows it as well — that this is an integral part of our budgetary rules. Those rules state explicitly that the Council and the European Parliament constitute the budgetary authority. Did you really think, Mr Lenihan, that a debate on this question in the European Parliament would not give rise to the suspicion that you are not perhaps approaching this question quite as seriously as we are?

*(Applause from various quarters)*

There was then a debate on certain formulations which went on until this morning in the Committee on Budgets. Last night — I cannot tell you any more whether it was at 3 o'clock or 4 o'clock — the point at issue was whether the wording should be 'on the basis of the Commission's proposals' or 'taking note of the Commission's proposals'. That was something we went on about for another three hours. And this morning, according to my information, you said before the Committee on Budgets that there was nothing to stop us changing the wording to what we were asking for yesterday.

Mr Lenihan, the Members who spoke before were rather more polite than I have been, but since I was more polite to the Council earlier on, I think I can take the liberty of indulging in a bit of impoliteness now.

The real problem as far as conciliation is concerned is the great divide between budgetary powers and legislative powers, which rightly belong together. After all, legislative powers which have financial consequences cannot be exercised without the participation of the European Parliament.

However, the tricky part of the conciliation procedure was that the Parliament delegation was seeking a political solution, whereas the other side was relying on legalistic ruses introduced by bureaucratized diplomats ...

*(Applause)*

If we fail to change this situation, we shall have exactly the same difficulties in the next conciliation procedure.

**Bangemann**

The Council must bring itself to match the political stance of this Parliament by having itself represented by responsible politicians.

*(Applause from the Liberal and Democratic Group)*

That is the essential point. I would concede that some of the things we have achieved here are satisfactory, and there are a number of Members in my group who are prepared to accept the results that have been achieved despite the attitude of the Council. There can be no doubt — and I don't know whether Mr Klepsch perhaps made an error here — that what the Council had to say about the budgetization of loan transactions is a considerable step forward. We now have the agreement of the Council to budgetize loans within a set period of six months. That is more than we have ever achieved in the past, and I think this is a point that deserves emphasizing. On the other hand, the Council's proposal regarding the budgetization of the Development Fund is rather less than what we have heard from the Council in the past.

This too is part of the conflict. The Council said three years ago that it was prepared to budgetize the Development Fund, but it then ignored the negotiations on the new Development Fund, although this House has constantly been asking for the necessary steps to be taken to ensure that the fund is budgetized. If the Council then goes on to agree on this fund without making any attempt at budgetization, it should not be surprised to hear that the final sentence reading "the Council is ready to re-examine the question of budgetization of future EEF's" sounded bitterly ironic to us last night.

*(Applause from various quarters)*

As far as compulsory expenditure is concerned, I would not contest the fact that a step has now been taken in the right direction. It is something we ourselves called for, and that is why some members of my group — for whom I should like now to give an explanation of vote — thought this element of progress to be important enough for them to vote for the adoption of the budget. However, my group, the Liberal and Democratic Group, which has always tried to avoid the kind of situation we are now in, will join with the other political groups in rejecting the budget, because we do not feel that the Council has taken the newly elected Parliament as seriously as it should if we are to avoid doing damage to the principle of democracy in Europe. This is not a conflict between the Council and the European Parliament; the point at issue is the democratic development of the Community, and that is something you should bear in mind.

*(Applause)*

**President.** — I call Mr Fantì.

**Mr Fantì.** — *(I)* Mr President, ladies and gentlemen, I speak on behalf of the Italian Communists and Allies —

I say 'Italian' because the French Communists take a different view of the topic we are now debating — in order to explain why we have decided to vote in favour of the motion for a resolution rejecting the Community budget put forward by Mr Dankert.

*(Applause)*

We too are aware of the extraordinary importance of this vote and we do not approach the matter lightly. Apart from this fact, which is in itself of great significance, I have no hesitation in describing this vote as of the greatest significance for the whole future of this Community. To vote 'yes', to approve the motion for a resolution rejecting the Community budget — as everyone who has spoken before me has already pointed out — is not in any way tantamount to plunging the Community into crisis, to adding one more crisis to all the other existing crises, but, on the contrary, it is to assert the European Parliament's determination to show the Council of Ministers, the national governments, and above all the people who elected us, the only way out of a situation which was not created by us, the European Parliament, but by others, to whom in consequence the responsibilities should be clearly attributed.

We Italian Communists have taken this view of the matter throughout the strenuous work Parliament has done on the Community budget. We have never asked the impossible, but we have asked — thereby achieving the useful and positive aim of seeing our views coincide with those of the other political parties in this House — for what we considered necessary to reinforce, and perhaps broaden, the powers attaching to Community policies in every sector and thus satisfy the most immediate and urgent requirements of the various national economies so that the present economic and social imbalances may be overcome. We have put forward proposals designed to give the Community institutions — the Council and the Commission — the guidance and the practical means necessary to deal with the serious situation with which we are faced. If we are to speak of crises, we must single out the origins of this crisis, which in the main are twofold. The first consists of the failure of Community policies, as we have already pointed out and more than sufficiently demonstrated during the first reading of the budget. The policies I mean are those that have led to a frightening aggravation of regional and national imbalances and in the transfer of resources from the less prosperous Member States to the richer ones, in other words, those policies which are taking this Community to its ruin.

The second cause of this crisis consists of the inability of the Council of Ministers to find the political will to face up to the need for a courageous revision of the policies pursued to date, in an international context which requires this political vision as regards political matters, economic matters and the very ideals of the Community. During the debates we held yesterday on the disappointing declarations made at the end of the Dublin Summit this inability of the Council's was

**Fanti**

denounced. For this reason we believe that to turn down the motion for a resolution rejecting the Community budget would mean only one thing for the European Parliament, namely meekly submitting to the Council's impotence, which has taken the form of a political blindness kept up and reasserted to the last throughout the budget debate.

To accept this motion rejecting the budget, on the other hand, is to assert the positive will to give to national governments, to the Council and to the Commission positive and profitable guidance in the task of reversing the trend of the present crisis. It also means emphasizing, in front of the peoples of the European Community, that this directly-elected Parliament constitutes an unambiguous point of reference for anyone who really wishes to see the creation of a democratic, peace-loving Europe of the workers. This is a positive intention which is also shown by the option which we intend to point out in all frankness to the Commission and the Council during the course of this debate. The option we are talking about is that of speedily — and I emphasize the word 'speedily' — providing the Community, without any further delay, with its budget for the year 1980.

There are no precedents to refer to in the matter we are dealing with now and for this reason everyone of us must be prepared to accept his own responsibilities. I believe, we believe, that if we set to work straightaway it will be possible, not perhaps to redraft the entire budget, but to uphold the political implications of the vote which I hope the Parliament will take today and thus submit in January a correct and amended budget on the basis of the democratically expressed will of the European Parliament.

When the moment of decision comes we Italian Communists shall be there and we can be counted on to do our best to help.

*(Applause)*

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

**Mr Ansquer.** — *(F)* Madam President, ladies and gentlemen, following the debate on the budget and the discussions yesterday and this morning, one finds oneself asking: why all the noise, what is all the fuss about? A tempting reply would be: 'Much ado about nothing.'

This is all far removed from reality. Indeed, once the veil is lifted and mist clears, certain people drop their masks to reveal their true motives, we have before us a coalition of diverging, even conflicting interests. One has to ask whether those who have been calling for conciliation really meant what they said.

Granted, on 23 November the Council did reject a large number of Parliament's proposals, but there can be no

doubt that the Council has made an effort to accommodate Parliament at the conciliation meetings held during this part-session, especially as regards the most important provisions adopted on 7 November.

The Council has thus put forward a proposal for an increase in overall non-obligatory expenditure, an increase of over 20 % in commitment appropriations. Can anybody name a national parliament that has proposed such an increase in these troubled times?

Secondly, the Council has agreed to present a supplementary budget at the beginning of 1980, in order to keep control of spending, especially spending on agriculture, as requested by the Parliament of 7 November.

But the conciliation procedure has not succeeded, or to be precise it has resulted in the Committee on Budgets rejecting the budget in its entirety.

Behind the various speeches and statements of good faith there are two real objectives: to draw the Council into political trial of strength and to weaken the common agricultural policy by putting severe budgetary constraints on European agriculture. Furthermore, is it not also true that for some people the budget presents an opportunity to increase the powers of the European Parliament?

This is therefore a serious step for the Parliament, only recently elected by universal suffrage.

As far as we, the European Progressive Democrats are concerned, our position is quite straightforward; our views are clear and do not change with circumstances. Our aim is to further the construction of Europe, not put obstacles in its way. Therefore, ladies and gentlemen, we will not vote for the total rejection of the budget, as proposed by Mr Dankert and the Committee on Budgets. In your heart of hearts, do you not think that in the last analysis, beyond any budgetary squabbles, the citizens of Europe will judge us by the actions we take to protect and assure the Community's future?

*(Applause from the Group of European Progressive Democrats)*

**President.** — I call Mr Baillot.

**Mr Baillot.** — *(F)* Madam, President, the French members of the Communist and Allies Group do not approve the Dankert report for the reasons we explained in the general debate last Tuesday.

We are here to take a decision on the budget, which we did not accept at first reading and which we continue to reject, because of its general character and because of the measures it contains in accordance with the austerity policies pursued by the governments of Europe, whose flavour has been captured perfectly by

**Baillet**

the Council and the Commission. We refuse to adopt a budget which aims to make the workers bear the brunt of the crisis.

Furthermore, we are faced with a large-scale political campaign. A majority of Members would like to take advantage of this budgetary part-session to take a major step towards increasing the powers of the House; this has been obvious throughout the discussion on the budget, both in plenary session and in meetings of the Committee on Budgets.

This is not a question of sparking off a crisis between the Parliament and the Council. Nobody would even consider it a crisis, since during the election campaign heads of government and European Ministers both past and present made numerous statements in favour of increasing the powers of the European Parliament.

Once again, we maintain our opposition to any extension of its powers, to any step towards a supranational Community.

It has been equally clear during the discussion on the budget that a majority in this Parliament, in agreement with the Commission, would like to amend the general pattern of Community policy and institute a fundamental reform of the common agricultural policy and especially the EAGGF Guarantee Section, the object being to give greater priority to an industrial policy which would benefit the multinational companies more than anybody else.

Today there is a move towards a new policy for the transfer of budgetary funds; this would create new and serious difficulties for farmers on small and medium-sized holdings. In France large numbers would be driven from the land, and it is no coincidence that at the present time in my own country there is a debate on an agriculture bill following very much the same lines. Under this policy, the multinational companies would be granted funds which — in the name of Community policies, notably the regional policy adopted over the heads of national parliaments and governments — would enable them to tighten their grip on economic and political life in each of our countries. Unemployment will continue to increase as a result of the restructuring of vital sectors of industry and the underdeveloped areas of our countries will remain in that category.

As for the social measures adopted in accordance with this industrial restructuring policy, it is clear for all to see that the appropriations for redundancies in the iron and steel, textile and shipbuilding industries will ultimately be paid for not out of the outrageous profits made by the capitalist concerns, but at the expense of the farmers on small and medium-sized holdings who are doomed to go to the wall.

To conclude, we will vote against the Dankert report, because the measures it contains would have serious consequences for the independence and sovereignty of our national parliaments and would ultimately be against the best interests of our peoples.

*(Applause from certain quarters on the far left)*

**President.** — I call Mrs Castle.

**Mrs Castle.** — Madam President, I wish to give an explanation of vote on behalf of the British Labour Group, acting as part of the Socialist Group. I do so because, as I think is well known in this Assembly, we fought the election on a manifesto which pledged us to resist any extension of the powers of Parliament, any further encroachment on the rights and responsibilities of national governments, and if we believed that the rejection of this budget would indicate an extension of the powers of this Parliament, we would not be voting for it. But in fact we believe that it is merely an effective use of the powers that Parliament already has — powers to fight for and carry out the political purposes for which we were elected to this Parliament in the first place.

Those purposes are integrally linked with the argument over the budget which is now taking place, because, first and foremost, of course, our political objective is to secure a fundamental reform of the common agricultural policy, not only in the interests of the consumers, who are suffering under it, but in the interests of a socialist system of supporting agriculture: one which gives better support to the small man than he gets now; one which really achieves a more equal distribution of the agricultural policy's resources among the different regions of the Community. This must be one of the overriding priorities; the curbing of the open-ended rise in agricultural prices, the ending of the surpluses, the re-consideration of what the Community's common agricultural policy is achieving and what it ought to be achieving. This not only should be, but clearly is one of the major preoccupations of this Parliament.

We supported all along the line the amendments to the budget that were put forward by the Socialist Group and in many cases by the Committee on Budgets itself, seeking to make a small start along the road towards curbing the worst excesses of the common agricultural policy. We supported, too all along the road, the amendments to the budget which challenged the present distribution of the resources of the European Community. After all, the people we were sent here to represent are making, as everybody now knows, a major contribution to those resources. The burden is being felt through their income taxes, the burden is being felt throughout the whole of British financial

## Castle

policy. The working men and women of Britain who elected us have asked us to come here to see that those resources are used to fight the industrial and regional and social policies that plague all our countries — not all equally, but certainly all increasingly. They have asked us, too, to come to fight for a better policy in Europe for the developing countries.

These are our socialist objectives and we have supported amendments to the budget which were some small step towards achieving them. And what has happened? Goodness knows, some of these amendments were modest enough, they are not going to be a great revolutionary change, but even those have been rejected; only minor, cosmetic changes have been made; and so a budget comes back to us from the Council that we have got to judge politically. In the light of our own purposes in being here, we must politically judge it as a budget we cannot support, because it is inconsistent with the political purposes that motivate us. So we shall be voting to reject the budget today.

*(Applause from certain quarters)*

**President.** — I call Mr Spicer on a point of order.

**Mr Spicer.** — As always, we support the Chair in this Parliament. May I say that the vast majority of people here would give you the fullest possible support if you could press on with this? It is rapidly turning into a circus and into a debate. We all wish to come to this important vote as soon as we can. We know you have a large number of people still left to give an explanation of vote, but could they do so briefly and not indulge in a political speech?

*(Applause from various quarters on the right)*

**President.** — I was just about to point out that explanations of vote may not last longer than three minutes.

I call Mr Collins on a point of order.

**Mr Collins.** — Madam President, Rule 31A quite specifically limits speeches on explanations of vote to three minutes. Now I certainly would not like to inhibit discussion on this very important matter, but none the less I tend to agree with my colleagues across the way: we do not want this to turn into a circus, and we do want to reach a decision.

*(Applause from certain quarters on the right)*

**President.** — I thought that, because of the importance of the subject, I ought to allow the group spokesmen more time. I now draw your attention to the three-minute rule.

I call Mr Rogers on a point of order.

**Mr Rogers.** — Madam President, following from what Mr Spicer and Mr Collins have said, Rule 31 stipulates that

a Member who asks to make a personal statement shall be heard at the end of the discussion of the item of the agenda being dealt with.

What we are having is not explanations of vote, but a debate. I think, Madam President, that you now ought to proceed to the business that is in front of the House under Rule 31, and if other people want to give personal statements then they should do so after the item under discussion is finished.

*(Applause from various quarters on the right)*

**President.** — We continue with the explanations of vote. I call Mr Petronio.

**Mr Petronio.** — *(I)* Mr President, I shall speak briefly on behalf of the Italian Right. We shall vote in favour of Mr Dankert's proposal to reject the budget.

Mr President, Catherine the Great once wrote to Voltaire: 'I agree with you on your general ideas, Sir, but what about the details?' It seems to us that the good intentions we heard last night and early this morning from the Council or its representatives are not even general ideas, they are mere good intentions destined to pave the proverbial road to hell. They are not intended for fulfilment, but for neglect and ultimate oblivion.

As far as details are concerned, we feel that a matter which has occupied Parliament for so long cannot be considered a detail. Energy, research, structures, regional and social questions in the modern world; these are the fields in which we proposed increased action, and last night the only response we had from the Council was a handful of units of account, in the belief that they could turn to their advantage what is not a policy involving greater power or excessive power for the Parliament, but a policy which looks to the future and the needs of the Community. We shall therefore vote for the rejection of the budget and let us hope that in the calendar, or at least our calendar, today's date will be inscribed in red letters.

**President.** — I call Mr Lomas.

**Mr Lomas.** — Madam President, I would like to make it clear that I shall be voting, like Mrs Castle, to reject this budget, not because I want to extend the powers of this Parliament — I am very much opposed to any transfer of power from national governments to this Assembly — but because it is a thoroughly bad budget. It does nothing about a monstrous agricultural policy which creates huge mountains of surplus food in a world where millions of people are starving, and where in my own country many people, including particularly old-age pensioners, are finding it increasingly difficult to pay the high food prices caused by the common agricultural policy.

I shall also vote to reject this budget because it makes no attempt whatsoever to do anything about the

**Lomas**

method of raising finance, which is so manifestly unfair to the United Kingdom. Next year, British workers will have to contribute over one billion pounds to the Common Market, and I say 'British workers' because this billion pounds can only be produced by the efforts of working people: wealth does not grow on trees, and this is why I will not vote for this budget.

Finally, Madam President, what I would really like to make clear too is that I will not vote for this budget or any future budget which does not completely change the whole system of raising finance and allocating expenditure in such a way that working people throughout the EEC benefit from our policies instead of suffering, as they have done for so many years.

**President.** — I call Mr Simpson or a point of order.

**Mr Simpson.** — Madam President, I would be grateful if you could indicate how many speakers you have on your list to give explanations of vote. If one multiplies that number by three minutes, will one go past the hour of one o'clock? Recalling that we have given the staff undertakings that we will adjourn from one to three, is it likely that this vote will be taken before lunch?

*(Applause from certain quarters on the right)*

**President.** — Mr Simpson, looking at the list of those yet to speak, I was going to ask Parliament whether it would not prefer to hear all the speeches this morning but postpone the vote until 3 p. m.

*(Loud protests)*

In that case we shall vote in a moment.

I call Mr Galland on a point of order.

**Mr Galland.** — (F) Madam President, I think that a certain number of Members have requested, in accordance with the rules of the House, that the vote be taken by roll-call. This vote can still be held this morning if the electronic system allows. If not, ladies and gentlemen, I do not see how we could vote this morning, since the voting procedure will take an hour. I would therefore ask you, Madam President, whether the electronic voting system is now operating for the roll-call.

**President.** — Yes, it is.

I call Mr Pannella on a point of order.

**Mr Pannella.** — (F) Madam President, several Members have spoken about Rule 31 or 31A. These Rules state quite simply that we all have the right to speak for three minutes to give explanations of vote. This remark is intended for Mr Rogers and those who thought they could invoke the Rules of Procedure to say exactly the opposite of what is actually stated there.

Furthermore, Madam President, allow me to remind those Members who are now impatient to hold the vote that, if we are to believe what is being said, it is they who should have been the first to worry about the time being wasted when they were applauding their group chairmen, who spoke for ten or fifteen minutes, or when their groups were allowed two explanations of vote instead of one. The honourable Members who are impatient should realize that we were deprived of the right to speak on the budget. We each had thirty seconds to speak on it, and now they are impatient with regard to the explanations of vote. I appreciate that planes or stomachs are important, but so is Parliament.

**President.** — We shall proceed with the explanations of vote. I call Mrs Ewing.

**Mrs Ewing.** — Yesterday I appealed to the Council, as many did, to come towards us. I take the view they have come towards us, and have come towards us more than any government ever did in my own limited experience of one national parliament at Westminster. I am particularly pleased that they did come towards us in regard to the Regional and Social Funds, which will benefit my particular area, as you all know.

Secondly, on the question of the function of this Parliament — which is a very dear Parliament to me — I would say that I have been told by distinguished colleagues, such as Jim Scott-Hopkins, such as Mr Vandewiele, and many others, to be patient when I do not get my way. I have never yet achieved what I wish for my fishermen, but I have been told over and over again: this is a place of conciliation and persuasion where you are listened to; and if you do not get what you want the first time, you try and you try and you try again; that this is not a Parliament of confrontation, but a Parliament of persuasion.

My next and last point is perhaps the most serious to have emerged from all the interesting and sincere explanations of vote we have heard. What are the public of Europe going to make of it? The reasons are not united. My career proves I am not afraid of unpopular political battles, or difficult seats. I am not one to run away from a fight; but what is the fight about? A famous poem in English literature describes the battle of Blenheim as 'a famous victory', but it also has the lines:

But what they fought each other for  
I could not well make out

Is it about the CAP — for or against? Is it about the social imbalances that one of the Communists mentioned? Is it frankly that the UK Members do not like the contribution arrangements? Is that what it is about? Do we really want more powers? Because just as many Members who are against the budget say they don't as say they do. I feel that the confusion here is so serious that we are going to have a situation where Members are going to become even more anti-Europe than many are already.

**President.** — I call Mrs Bonino to speak on behalf of the Group for the Technical Coordination and Defence of Independent Groups and Members.

**Mrs Bonino.** — (I) Madam President, ladies and gentlemen, I am aware that everyone is getting rather impatient, but I think that since our Group has the right to 11 minutes' general speaking time on the budget — I repeat, 11 minutes — you will probably be prepared to put up with a statement on behalf of the Group, which will, moreover, be extremely short, as usual. What is more, Madam President, I wanted to point out to you — and not, of course, because I consider myself a very important person — that this House has always followed the practice — as was indeed also the case today, up to a certain point — of listening first to all the explanations of vote delivered by the spokesmen for the various groups. This being so, it is not clear to me why, today, on the contrary, various explanations of vote have already been made — all legitimate, all permissible and all of great importance — but by persons speaking in a purely personal capacity. I should like to remind you whether people like it or not — that we are a group and I consider it my right to speak, since I am the spokesman of the smallest political group in the Parliament, after all the other official speakers, that is to say as the last official spokesman for a political group. This point may have escaped your attention and I merely wanted to draw your attention to it.

That being said, I wanted to tell this House, as will be made clear in due course during the individual explanations of vote, that our Group will not be voting as a uniform bloc on this motion for a resolution. But, to be more precise, I myself and my colleagues in Democrazia proletaria, in the PDUP, in the Volksunie and in the Radical Party shall all vote in favour of the motion for a resolution rejecting the budget which has been submitted by Mr Dankert. We shall vote in favour of this because we consider that the attitude which the Council has taken up *vis-à-vis* this Parliament is intolerable — intolerable for political reasons, even more than for reasons concerned with the details of every penny of Community expenditure. Its attitude is politically intolerable because this matter is inevitably political and we must insist upon the political rôle of this newly elected assembly. So the Council must henceforward learn to treat us as a political assembly and not as a body which exists purely and simply to ratify whatever the Council decides.

We shall vote in favour of rejecting this budget because of the guidelines which it sets out for the agricultural policy and also because of what it has to say about energy policy, about north-south policy and aid to the Third World — even those few modest steps forward which this Parliament has accomplished have been drastically cut back by the Council and yet we spent three whole days explaining to each other how important Third World policy was — as well as for what it says about the Regional Fund. The Council of

Ministers must learn here and now that this Parliament has been elected in order to make its presence felt, politically speaking, and that it has the intention of doing so and that it can no longer be treated merely as a ratifying second chamber subordinated to the will of the Council.

**President.** — I call Mr Romualdi.

**Mr Romualdi.** — (I) Madam President, ladies and gentlemen, I am in agreement with the President of the Council in thinking that the three Community institutions must work together, that they must be considered three aspects of the same Community, reflections of the same political commitment and that they must remain so.

This is something which the European Council should be better aware of than us, or which it should have been aware of when it curtly threw out the Commission's budget which we had knocked into a more acceptable shape with the amendments we had made to it. This is also so because the Council, since it represents our national governments, has a duty, more than anyone else, to take cognizance of the political need not to demean but to bolster the prestige and widen the margins for political action and manoeuvre of our European Parliament, as part of a fundamental attempt to help, not hinder, the construction of a political Europe, which is and must remain the essential objective of our work, in accordance with the mandate which our voters, have conferred on us.

For this reason, as we take the view that, though laudable, the Council's last-minute efforts are useless, incapable as they are of restoring the unity of the budget and the lost equilibrium between its various component parts and, in particular, in view of the fact that this budget can no longer constitute a worthwhile instrument of social, regional, energy and research policy, or any other policy which might seem necessary in order to provide some guarantee of development policy, we are voting to reject it, convinced not that we shall precipitate a crisis, from which we shall be protected by the articles and the spirit of the treaties, but that we shall be helping to find a way out of a crisis, the real crisis, the crisis which is preventing the Council from understanding that we must strike out together in a new direction, a direction which has been given us by 180 million men and women who voted for us.

**President.** — I call Lord Harmar-Nicholls on a point of order.

**Lord Harmar-Nicholls.** — Rule 8 (2) reads:

The duties of the President shall be to open, adjourn and close sittings; to ensure observance of these Rules, maintain order, call upon speakers, close debates, put questions to the vote and announce the results of votes.

**Lord Harmar-Nichols**

Madam President, if you now use your powers to close the debate and put the question to the vote, you will have the overwhelming support of Parliament.

*(Applause from various quarters)*

**President.** — We shall now continue the explanations of vote. I call Mr Pannella.

**Mr Pannella.** — *(I)* Madam President, ladies and gentlemen, in this very short explanation of vote, which is also the only speech that I have been allowed to make on this budget, thanks to the order — I mean the disorder — which reigns supreme in this Parliament, allow me to give my personal congratulations to the Irish President of the Council.

The representative of the Council has in fact succeeded in putting forward a policy which meets with official approval in only two quarters: the French Communist party and the French Gaullists. It must be accounted an achievement of some political acuity, on the part of the representative of a Council consisting of governments which represent the overwhelming majority of the members of this Parliament, to succeed in obtaining the support of no-one but the French Communists and our colleagues in the Gaullist group!

So there is no cause for wonderment. I myself am in some embarrassment — I must admit — when it comes to defending the position of a Parliament which, in my opinion, has itself voted for a bad budget. However, if I were not to reject your proposals, Mr President of the Council, I should be going against my responsibilities as a member of Parliament, not to say a Radical member of Parliament. It is morally intolerable, even more than it is politically intolerable, that a European institution, acting blindly, arrogantly and savagely, should scrap even relatively trivial sums of money which might help to put an end to the tragedy of 60 million people who are dying of hunger at this moment. What is more, I must say that the criticisms made by members of this Parliament are self-contradictory because, ladies and gentlemen of the majority, you yourselves have voted in favour of a budget proposed by the Parliament which prevents Directorate General VIII from taking on two extra members of staff who were to work in this very area of famine relief.

As a Radical member, I believe that the vote which I hope this Parliament is about to make will be above all the vote of European parliamentarians prepared at least to ask the Council to show a little more rigour, a little more seriousness and a little more dignity and not to come here to voice opinions which will then only be supported by the opponents of the governments they represent.

**President.** — I call Mr De Goede.

**Mr De Goede.** — *(NL)* Madam President, ladies and gentlemen, the Council and Parliament are generally agreed that the rejection of the budget will give rise to a

serious situation. This is correct, but who bears the responsibility? Is there any Community institution which has tried more seriously over the last few months to avoid this crisis than Parliament? The President of the Council drew our attention this morning to the seriousness of the situation which would arise from a rejection of the budget, but we in turn would like to draw attention to the way in which the Council continues to misinterpret the many serious and reasonable attempts which Parliament has made to avoid this impasse.

I do not intend to go into details but the crushing rejection of the latest proposals by this Parliament, which were made in November, was in itself a kick in the teeth for this Parliament and, since direct elections to this Parliament were held for the first time in June of this year, it was also a kick in the teeth for the citizens who expect something from us. By virtue of our budgetary powers we were able to promise our voters at the time of these elections that we would devote attention to new areas, areas which had hitherto been neglected in our Community policy, e. g. employment, energy and environmental protection.

Neither in the case of the reasonable proposals for increasing the non compulsory expenditure nor in the case of the reasonable proposals for reducing agricultural expenditure has the Council shown any understanding which would enable the rejection of the budget to be avoided.

The position of this Parliament is at stake. The elections last June were a turning point in the development of the Community. What the Council is asking us today is to go back to square one rather than taking a new direction. We refuse to do this. Mrs Dekker and myself as representatives of D'66, a party which enjoys the support of 9 % of the Netherlands electorate, intend to vote against the Council's proposals, i.e. for the rejection of the budget.

**President.** — I call Mrs Boserup

**Mrs Boserup.** — *(DK)* Madam President, so as to avoid causing further agitation in this unruly gathering which has the gall to call itself a Parliament I shall refrain from giving an explanation of vote and simply refer to the speech I made last Tuesday from which any reasonably intelligent reader will be able — when it has been translated — to find out why I intend to vote against Mr Dankert's motion for a resolution.

**President.** — I call Mr O'Leary.

**Mr O. Leary.** — Madam President, this is a serious moment in the life of Parliament, and while I understand the impatience of Members, I think it is also necessary for some of us at any rate to give an explanation of our voting, so that our home

O'Leary

populations will realize the political point in the way we cast our vote here today.

The members of the Irish Labour Party within the Socialist Group campaigned for the adoption of regional and social policies that would be backed with adequate financial resources, because we believed that without the adoption of such policies no progress could be made towards the convergence of our respective economies. We also believed that without a realistic attempt to balance economic activity within the Community this Community would continue to be no more than the empty creation of the cartels, the monopolies and the multinationals. It is our conviction that this budget signally fails to advance the achievement of adequate regional and social policies.

In the absence, Madam President, of a realistic regional and social policy, the common agricultural policy has to do the work of these defective policies. It is a poor substitute, but it is the only substitute we have in present circumstances that will transfer some resources to the more undeveloped regions of the Community.

We Irish members of the Socialist Group could not accept paragraph 3 of the Dankert resolution. Now, however, our group has accepted the Liberal amendment, which replaces and certainly further explains paragraph 3 of the Dankert resolution. That liberal amendment ensures that there will be no attempt by this Parliament, and I quote, '... to call into question the principles of the common agricultural policy' at this time. We Irish members of the Socialist Group will therefore join with the other members of our Group and call for the rejection of the 1980 budget.

*(Applause from various quarters)*

In conclusion, Madam President, I want to say a very brief word of regret. It is a disappointment for me that the Irish Presidency has proved so unresponsive to the requirement of working towards the attainment of comprehensive, adequately financed, Community-wide regional and social policies.

*(Applause from various quarters)*

**President.** — I call Mr Sutra.

**Mr Sutra.** — *(F)* I think this budget is a bad one, and when a budget is bad it should be rejected.

What I am saying is that this budget comes nowhere near to meeting present day needs. At a time when the number of unemployed in Europe stands at 6 million, with the energy crisis starting to bite, with our social policy in disarray and the Lorraine iron and steel industry in a state of crisis, we hear that last night a major item for discussion in the Committee on Budgets was whether 'budgetary authority' should be written in the singular or in the plural. How ridiculous and petty can you get! Do you think that the 200 million people

in Europe who elected us are worried about that? Do you think that the 6 million unemployed are worried about whether 'budgetary authority' should be written in the singular or in the plural?

The Council is wholly responsible for the failure of the negotiations, which Parliament wanted to be open and democratic from start to finish. Admittedly, I do not like paragraph 3 of the motion. But the vote on the budget has taken place, we have voted on four hundred separate items and everybody has had the chance to state his views. Along with the rest of the French Socialists I voted against the amendments which threatened the common agricultural policy, but today we have to reach an overall decision on a budget which does not meet present day needs.

Once again, having already made this point here in this Chamber in July and in October, I should like for the third time to make a serious appeal for a real major debate on the common agricultural policy. We are tired of discussing the agricultural policy via debates on world famine or the budget. We have been told there will soon be a debate on prices. What we would like is a debate on the conception people have of the agricultural policy. When will we finally have the chance to hold a real discussion on this policy?

We have already stated our readiness to discuss and reform the agricultural policy; we fully appreciate both its successes and its failures, which, in my area, sometimes amount to real disasters. It must be said, then — and I shall conclude here — that since all Parliament can do is to vote for the motion rejecting the budget, the only conclusion to be reached if it fails to do so is that the budget is not considered a bad one. We must be clear on this. There must be no procedural disputes. If the budget is bad, there is no alternative other than to reject it. This is what I shall do — and I think it important to say this — because both as a farmer and as a citizen I am dissatisfied with this budget.

*(Applause from various quarters)*

**President.** — I call Mr Bonde.

**Mr Bonde.** — *(DK)* I would like to vote against the budget since, as I said at the first reading, it is a Robin Hood policy in reverse. However, we in the Danish People's Movement cannot support Mr Dankert's action with a view to increasing the powers of this Assembly. If I may adopt a rather unconventional attitude to last night's discussions I should like to say that, in my view, the Council of Ministers was overdoing it. It would have been better if it had gone home to bed rather than giving concessions in its sleep. The Parliament delegation made three requests. The first was to have loans included in the budget and this was partly granted. Secondly, it wanted the Development Fund included and concessions were granted here too. It wanted a statement adopted

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regarding agriculture and Mr Dankert's draft was taken over as it stood. Finally, there was the request for an increase in non-compulsory expenditure and this has been increased to such a level that there is no real chance of these amounts being granted during the coming year.

At the start of the discussions it seemed that a compromise would be reached involving 100 million EUA for non-compulsory expenditure, which was also the amount which various of the national governments had decided was acceptable. However, at the end of the discussions, a figure of 200 million EUA had been decided, which means an additional Dkrs 40 million from the Danish tax payers. This is what the Danish Government committed itself to on behalf of our country at 4 o'clock in the morning in a foreign language and without consulting the Danish Folketing.

Finally, I should like to say a few words concerning the rules of procedure. I have asked four questions regarding the procedure and have not received a complete answer to any of them. I cannot take part in a vote on a draft budget, an important integrating part of which, i.e. the statements by the Council, has not yet been distributed in the official working languages.

**President.** — I call Mr Gendebien.

**Mr Gendebien.** — (F) Madam President, ladies and gentlemen, first of all I would like to congratulate the rapporteur, Mr Dankert, even if I do not always share his views. The work he has done has been quite extraordinary, a credit to Parliament and to the institution we serve. I feel he deserves our congratulations and thanks.

My second point is that unlike the President of the Council, I do not think that the courage of the Parliament constitutes a threat to the future of the Community, quite the contrary. What does constitute a threat to the Community is rather the nationalism, selfishness and resistance to new ideas of the individual Member States. One thing the Council has underestimated and even disregarded is that this Parliament has been elected by universal suffrage. On learning that we have held our ground, public opinion in Europe will support us, because I am convinced that the rejection of the budget will in the long run further the construction of Europe, and if not, then the very existence of the Community will be in danger.

**President.** — Before consulting Parliament on the motion for a resolution by the Committee on Budgets proposing the rejection of the draft general budget of the European Communities for 1980, I would remind you that, pursuant to Article 203 of the EEC Treaty, Article 78 of the ECSC Treaty and Article 177 of the EAEC Treaty,

the Assembly, acting by a majority of its members and two-thirds of the votes cast, may, if there are important

reasons, reject the draft budget and ask for a new draft to be submitted to it.

Furthermore, Rule 35 of the Rules of Procedure stipulates that, in calculating the number of votes cast, account shall be taken only of votes cast for and against.

I call Mr Colombo.

**Mr Colombo.** — (I) Madam President, I should like to ask you before we start voting to explain — since this is the first time we are using the electronic voting system — the method of voting, since only a third of the Members were present yesterday when we tested the equipment.

**President.** — Of course. I must first point out that I have received from Mr de la Malène, on behalf of the Group of European Progressive Democrats, a request for a vote by roll-call.

I call Mr Dankert.

**Mr Dankert, rapporteur.** — Madam President, it appears to me, after listening to some Members, that there is some misunderstanding on the way to vote. Those who want to vote for rejection have to vote 'yes'. Those who are against rejection have to vote 'no'.

(Laughter)

**President.** — Exactly.

(The President explained how to use the electronic voting system)

You may now vote.

(The vote was held).

Voting is closed.

The result of the vote is as follows:

Number of Members voting: 111

Abstentions: 1

Votes cast: 352

Majority required: 235

Votes in favour: 288

Votes against: 64

The following voted in favour:

Abens, Adam, Adonnino, Agnelli, Aigner, Alber, Albers, Almirante, Antoniozzi, Arfè, Arndt, Baduel, Glorioso, Balfe, Balfour, Bangemann, Barbagli, Barbarella, Barbi, Battersby, Beazley, Berkhouwer, Bersani, Bethell, Bettiza, Beumer, Blumenfeld, Bocklet, Bonaccini, Bonino, Boot, Boyes, Brookes, Buchan, Buttafuoco, Caborn, Capanna, Cardia, Caretoni Romagnoli, Cariglia, Cassanmagnago, Cerretti, Castellina, Castle, Catherwood, Ceravolo, Cinciari, Clwyd, Cohen, Colla, Colleselli, Collins, Colombo, Coppieters, Costanzo, Cottrell, Cresson, Croux, Curry, D'Angelosante, Dalsass, Dalziel, Damseaux,

## President

Dankert, De Clercq, de Courcy Ling, De Ferranti, De Goede, De Keersmaeker, Dekker, Delors, De Pasquale, Desmond, Diana, Didò, Douro, Elles, Enright, Estgen, Estier, Fanti, Faure Maurice, Fellermaier, Fergusson, Ferrero, Ferri, Filippi, Fischbach, Flesch, Forster, Forth, Friedrich Bruno, Friedrich Ingo, Früh, Fuchs, Fuillet, Gabert, Garotti de Biase, Gallagher, Galluzzi, Gaspard, Gatto, Gendebien, Ghergo, Giavazzi, Giumarra, Glinne, Gonella, Goppel, Gouthier, Gredal, Griffiths, Groes, Haagerup, Habsburg, Hahn, Hänsch, Harmar-Nicholls, Harris, Helms, Henckens, Herman, Hoff, Hoffmann Karl-Heinz, Hooper, Hopper, Hord, Howell, Hume, Hutton, Ippolito, Irmer, Jackson Christopher, Jackson Robert, Janssen van Raay, Johnson, Jonker, Josselin, Jürgens, Kavanagh, Kellett-Bowman Edward, Kellett-Bowman Elaine, Key, Klepsch, Klinkenborg, Krouwel-Vlam, Kühn, Lange, Langes, Lega, Lemmer, Lenz, Leonardi, Lezzi, Ligios, Linde, Linkohr, Lizin, Lomas, Loo, Louwes, Lückler, Luster, Macario, Macciocchi, Maij-Weggen, Majonica, Martinet, Mauroy, McCartin, Megahy, Mertens, Michel, Moorhouse, Moreau Jacques, Moreland, Müller-Hermann, Muntingh, Narducci, Newton Dunn, Nicolson, Nielsen Tove, Nord, Nordlohne, Normanton, Nootenboom, Nothomb, O'Donnell, O'Hagan, O'Leary, Oehler, Orlandi, Paisley, Pajetta, Pannella, Papapietro, Patterson, Pearce, Pedini, Pelikan, Penders, Peters, Petronio, Pfenning, Plumb, Pottering, Prag, Price, Prout, Provan, Purvis, Quin, Rabbethge, Radoux, Rey, Rhys Williams, Rinsche, Ripa di Meana, Roberts, Rogers, Romualdi, Roudy, Ruffolo, Rumor, Salisch, Sälzer, Sassano, Schall, Schieler, Schinzel, Schleicher, Schmid, Schmitt, Schön, Schwarzenberg, Schwencke, Scott-Hopkins, Seal, Seefeld, Seeler, Segre, Seligman, Sherlock, Sieglerschmidt, Simmonds, Simpson, Spencer, Spicer, Spinelli, Squarcialupi, Stewart-Clark, Sutra, Taylor John David, Taylor John Mark, Tindemans, Tolman, Travaglini, Tuckman, Turner, Tyrrel, van Aerssen, van der Gun, van der Heuvel, Vandewiele, van Minnen, Vanneck, Vayssade, Vergeer, Verhaegen, Vernimmen, Veronesi, Verroken, Viehoff, von Alemann, von Bismarck, von der Vring, von Hassel, von Wogau, Wagner, Walter, Walz, Warner, Wawrzik, Weber, Welsh, Wettig, Wiczorek-Zeul, Woltjer, Zagari, Zecchino

The following voted against:

Ansart, Ansquer, Baillot, Blaney, Bøgh, Bonde, Boserup, Buchou, Calvez, Chambeiron, Charzat, Chirac, Chouraqui, Cronin, Damette, Davern, Debré, de la Malène, Delatte, Deleau, Delorozoy, De March, Denis, De Valera, Dienesch, Donnez, d'Ormesson, Druon, Ewing, Faure Edgar, Fernandez, Flanagan, Galland, Hammerich, Hoffmann Jacqueline, Jaquet, Kirk, Lalor, Lecanuet, Maher, Martin Maurice, Martin Simone, Messmer, Møller, Moreau Louise, Motchane, Nielsen Jørgen, Nyborg, Pflimlin, Pintat, Piquet, Poifier, Poncelet, Poniatowski, Pruvot, Remilly, Rossi, Sablé, Sarre, Scrivener, Seitlinger, Simonnet, Skovmand, Wurtz

The following abstained: Fich.

The draft general budget of the European Communities for 1980 is thus rejected. I shall inform the Council of this decision and ask it to submit a new draft.

*(Prolonged applause)*

I call Mr Klepsch on a point of order.

**Mr Klepsch.** — (D) Madam President, do you think it might be a good idea to take the vote on the supplementary budget now?

**President.** — Since the documents have not been distributed, I think not. The vote will take place at 3 p.m.

I call Mr Jenkins.

**Mr Jenkins, President of the Commission.** — Madam President, Parliament has decisively made its judgment, and is clearly acting within its rights

*(Applause)*

The Commission obviously cannot welcome a position in which there is no budget. It regrets that despite long efforts, maybe at too late a stage for accumulated suspicions to be dispersed, no basis considered adequate for acceptance emerged. The Commission, for its part, will now face up to its responsibilities to the Community as a whole

*(Applause)*

The train, if I may so put it, is temporarily off the tracks. The Commission will try to get it back again, at what it judges to be the earliest favourable moment. For that it will require the cooperation of both parts of the budgetary authority.

*(Applause)*

**President.** — The proceedings will now be suspended until 3 p.m.

The House will rise.

*(The sitting was suspended at 1.20 p.m. and resumed at 3 p.m.)*

IN THE CHAIR: MRS VEIL

*President*

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

I call Mr Spicer on a point of order.

**Mr Spicer.** — Madam President, I hope that it will have been reported to you last night by one of your Vice-Presidents that I did raise at the close of business last night the question of the conduct of business last night the question of the conduct of business yesterday afternoon. As I said to him at the time, I do not mind being led up the garden path, providing I know where I am going to finish up, but my understanding yesterday afternoon was that a decision had to be made on whether we should continue with Question Time and then scrap, presumably, the remainder of the debate, or scrap Question Time and allow the debate to continue.

## Spicer

I can understand your dilemma very clearly on this, and accept that a decision had to be made, but my understanding is that the decision was made at about 4.30 to cancel Question Time yesterday and allow the debate to continue. But for those of us who either were in the Chamber or just outside, the first we knew of it was at 5.35 when we were called into the Chamber, and before voting on whether we should cancel Question Time we were told that you, having consulted the chairmen of all the groups, had decided that Question Time would have to go. Out of loyalty to you, Madam President, and also, if I may say so, to the chairman of my group, I voted to go along with that because I thought there must be some very good reason. Question Time is very dear to members of this group, and without the Conservative Group, in 1973, the whole institution of Question Time would never have been set up. I would like, if possible, some background to how this happened, either now or at some time convenient to you.

**President.** — Ladies and gentlemen, yesterday afternoon while I was with the delegation from the Committee on Budgets at a budgetary consultation meeting with the Council, I was informed that, owing to the debates held in the morning, particularly the very large number of motions for resolutions with requests for urgent debate, our proceedings were running an hour late.

Therefore, since we had to close the sitting at 7 p.m., we had either to cut short the speaking time of the various speakers in yesterday's debate or cancel Question Time, since it was impossible to postpone the rest of the debate to today or tomorrow, the agenda already being very full. I consulted the group chairmen and we decided it would be preferable to cancel Question Time.

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — I shall be very brief, Madam President, as I do not wish to hold up the voting on supplementary budget No 3.

You will be aware, I am sure, because the Secretary-General must have told you, that I did not agree with that decision. I thought that Question Time was more precious than the extra one and a half hours of debate. My fellow chairmen decided the other way round, and that was the advice that was tendered to you. But in the future we will perhaps meet the same thing again, and I really would ask you, Madam President, to refer back to our enlarged Bureau for consideration as to whether this really is the right way of going about things. As you know, I have always disliked the idea of 5.30 p.m. to 7 p.m. for Council questions, and the two hours on Monday. All I ask at this stage, Madam President, is that we should reconsider this either in January or the beginning of February, because I think we need, perhaps, one more

month of experiment. But I am, I must admit, very doubtful as to whether our changing is an advantage to us.

And while I am on my feet, Madam President, apart from congratulating you on the conduct of proceedings this morning and on taking the vote before we adjourned, may I now ask you this: we have a timed debate for this afternoon, and we have already lost three hours. What are you going to do about it? You have put on the agenda for tomorrow, I believe, four extra debates. Although that does not look excessive, if you start transferring from today to tomorrow, there is no way we can do it within the time limit imposed on us for tomorrow. And what are you going to do, Madam President, about the time limit given to each of our groups for today? If you are going to do as you propose, we shall run over the time limit of 12 o'clock for tonight. Could we have your views about what arrangements the House should adopt for today and tomorrow?

**President.** — The enlarged Bureau is due to meet at 4 p.m. I shall raise the question then.

In a very long meeting we tried to reduce the agenda. Unfortunately there are certain problems, particularly as a result of the large number of motions for resolutions with requests for urgent debate. The enlarged Bureau will thus have to take further measures to improve the conduct of proceedings.

I call Mr Paisley.

**Mr Paisley.** — Madam President, when will you be in a position to inform the House whether we will be able to take Mr Maher's report on the national subsidy for dairy farmers in Northern Ireland tomorrow? When this afternoon will you be able to make an announcement on that matter?

**President.** — Mr Paisley, this question is due to be discussed by the enlarged Bureau at its meeting at 4 p.m.; we shall inform the House as soon as a decision is taken.

I call Mr Klepsch.

**Mr Klepsch.** — (D) Madam President, I agree with your proposal to discuss in the enlarged Bureau the way in which speaking time is to be allotted today. But I have the impression that speaking time has in any case been allotted rather generously, which means that, since today's sitting can last until 11.30 p.m., we shall have time to deal with all the agenda. My group would be prepared to give up some of its speaking time. However, I propose that we discuss this in the enlarged Bureau at 4 o'clock.

(Applause)

**President.** — I call Mrs Ewing.

**Mrs Ewing.** — Madam President, when I raised the point of order yesterday, I was astonished to hear that Question Time was to be cancelled. According to my reading, this is against the Rules of Procedure. It is over and done with now, I think, for this session. I shall ask no more about it, but I should like you to know that Question Time is a precious opportunity for the backbenchers to hold the Commission or the Council to account. And I am sure the Commission and the Council enjoy this experience also. It is a puzzle as to what happened.

But could I say that I called for a vote, and we had a vote, Madam President, and I cannot complain about that. But what I can complain about is this: no one imagined that Question Time was not going to take place. So the vote was really the vote of only a few people. Many of the parliamentarians who would have voted for Question Time to be retained were not there. I ask you to put my point of view down for future consideration.

**President.** — Mrs Ewing, you are certainly not the only one who wants to see Question Time retained, and what is more, our Rules of Procedure provide for this institution.

I therefore hope that what has happened this week will remain an isolated case and that our proceedings will be organized in such a way that there will no longer be any need to cancel Question Time as Parliament has decided to do this time.

#### 7. Urgent procedure

**President.** — I have received from Mr Berkhouwer, Mr Delorozoy, Mr Louwes, Mr Delatte, Mrs Pruvot, Mrs Scrivener, Mr Rey, Mr Galland, Mr De Clercq, Mr Calvez, Mr Nord, Mrs von Alemann, Mr Tove Nielsen, Mr Sablé, Mr Damseaux, Mr Maher, Mr Poniatowski, Miss Flesch, Mr Pintat, Mr Haagerup, Mr Bettiza, Mr Donnez and Mr Bangemann, on behalf of the Liberal and Democratic Group, a motion for a resolution, with request for urgent debate pursuant to Rule 14 of the Rules of Procedure, on pollution of the Rhine (Doc. 1-601/79).

The reasons supporting the request for urgent debate are contained in the document itself.

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

#### 8. Amending and supplementary budget No 3 for 1979

**President.** — The next item is the supplementary report (Doc. 1-598/79) drawn up by Mr Dankert, on behalf of

the Committee on Budgets, on the outcome of the Council's deliberations on the amendments and the modification adopted by the European Parliament to the draft amending and supplementary budget of the European Communities for the financial year 1979.

I would remind you that there is a very tight timetable for today's debates. I therefore propose that speeches on this item be limited to those by the rapporteur and the representatives of the Commission and Council.

I call Mr Dankert.

**Mr Dankert.** — Madam President, I can be rather brief. In the first place I think I should announce that the motion for a resolution proposed by the Committee on Budgets has to be slightly changed, specifically in its paragraph 1, which reads: 'Confirms, by way of amendment, its decisions' and so on. The words 'by way of amendment' can be deleted. The paragraph then reads:

'Confirms its decisions of 11 December 1979 incorporating the transfer of appropriations from the Guidance to the Guarantee Section of the EAGGF within the budget'.

The rest of the paragraph can be deleted. That means that I withdraw the amendment that had been tabled. At the time, it was still unclear what the situation in Council concerning this amendment was. As it is now clear what that situation is, it can be withdrawn. This means, in fact, that no proposal for an amendment will remain on the table concerning this supplementary budget.

Madam President, I think there is some reason for that situation, because to my great satisfaction the Council actually accepted the proposed amendment by this Parliament to incorporate in the supplementary budget the sum of 100 million units of account, thereby, in fact, restoring the figure proposed in the preliminary draft by the Commission. I would like to hear from the Council what its reasons were for reintroducing this amount in the supplementary budget after it had proposed, by way of a transfer, to circumvent this supplementary budgetary procedure. Perhaps they can explain.

However, Madam President, as has been explained in the first reading, the basic reason for having a second reading was, in fact, a proposed modification for freezing 460 million units of account in Chapter 100. That, I would almost say, was in order to provoke a satisfactory explanation from the Commissioner for Agriculture, Mr Gundelach, on a number of questions still unanswered so far in the procedure followed in the Committee on Budgets and in this Assembly. We were fully aware that Mr Gundelach was not able, for Council reasons, to be present during our first reading. I am glad he is here now, and I hope he can give the explanations necessary to enable me to advise the Parliament to vote in favour of this draft supplementary budget No 3.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — Madam President, I would first like to express my regret that I was not able to be present in the meeting of the Committee on Budgets last Tuesday or on Wednesday morning, and I also regret that I was not able to participate in the debate on this subject earlier this week. The reason for this was Council business. I am not saying that the responsible Commissioner is more obliged to be available to one institution than to the other, but I have not as yet found the ways and means of splitting myself up into two parts and being in two places where I cannot be replaced by others at the same time. However, as far as I am concerned, I shall do my utmost to prevent this kind of unfortunate situation from recurring in the future, because I do believe that it is essential for both the Committee on Agriculture and the Committee on Budgets to discuss with the Commissioner responsible for agriculture what is, after all, a major part of the Community's budget, and a very difficult one at that. I am equally sure that the Council will assist by arranging their business in such a way that this kind of situation will not occur in the future.

I would like, without ranging too widely, to try to answer the questions which have been put to me, which mostly concern the milk sector. But before that, may I say briefly that I was gratified to find in the draft report on the supplementary budget that the rapporteur had his eagle eye on the — in my view intolerable — increase in intervention in beef. The Commission is convinced, as it has been for quite a time, that measures must be taken to come to grips with that situation, since it will otherwise not only harm the proper functioning of the market, but will also lead to unacceptable and indefensible expenditure in that sector. The rapporteur himself has referred to the fact that the Commission has once again made specific proposals to deal with this problem, and I think that should be noted by Parliament.

Madam President, I am not going to go into details concerning matters of budgetary procedure, to which my colleague, Mr Tugendhat, referred earlier this week. I mean such a question as what difficulties are involved in forecasting in agriculture. But I must underline that when a budget for a given year is drawn up in the autumn of the previous year — in June, July, and September 1978, in the case of the budget for 1979 — one does not know all the facts in regard to the level of production, which depends on international price movements, in particular in regard to fodder, on weather conditions, on matters such as how long a cow stays on grass, and other unforeseeable circumstances.

There is as yet no mechanism — and it is not a question of bad management, despite all the satellites which are zooming around our earth — to forecast climate, and thereby predict the development of international prices. It is not even possible, when you are in the middle of

the marketing year itself — that means in the middle of 1979. For example, we had absolutely no way of knowing that the autumn season would be long and sunny, with cows on grass for six weeks longer than usual, with a jump in the estimate for increased milk production in 1979 from around 2.1 % to 2.4 %. No one — either in this Community, in any other advanced society — has as yet been able to cope with this problem. Maybe it will be done one day, but there will always be some uncertainty.

One consequently has the problem of whether to present a supplementary budget at an earlier date, knowing that it will later have to be rectified, or to wait until it can be more precise. It is a choice, and one might conceivably say: no, you had better start the procedure earlier, even if, in the light of the uncertainties to which you refer, you will have to rectify it at a later stage, as has happened in all years. That is a valid argument which I would certainly, as far as I am concerned, be quite willing to take into account, as long as it is remembered that there will have to be rectification in regard to conjunctural movements, development of the harvest, etc., and that the exact figure cannot be known until somewhere towards the end of September.

Madam President, reference was made in the previous debate to the fact that the need for the supplementary budget had very little to do with the decisions, or lack of decisions, of the Agriculture Ministers in June this year. Here, Madam President, I must underline that that is not correct. The honourable Member who referred to this point said that the Council had only reinstated or adopted some aids on the internal market for dairy products of some 150 million units of account, which would be more than compensated for by savings in the cereal sector which were not known about until September. But that was not the question at issue at the Council meeting in June.

What was at issue? Here, we get to the first of the two main points I want to make. My first main point — and I am sorry to have to repeat it so many times, but I know that there are a vast number of Members of this Parliament who agree with me on this fundamental point is that as long as the production of milk continues to increase steadily, year by year — in 1978, unexpectedly, due to weather conditions, the increase was much higher than usual, but even as a normal trend, there is a steady increase of more than 2 % now, while consumption is stable or slightly declining — then there is an ever-increasing supply of milk which, under Community rules as they now stand, has to be bought into intervention. There we have no choice; once it is in public intervention, it is the responsibility of the Community to dispose of it. And disposing of that stock, however it is done — and I will come back to that, because it is my second main point — will cost an increasing amount of money.

## Gundelach

Therefore the root of the problem is the absence of any decisions for the milk sector which will shift a significant part of the cost of marketing surplus production to the producers themselves, and create, in the form of a co-responsibility levy, a disincentive to continue this irrational and uneconomic increase in milk production. Because as long as that increase in milk production goes on, whatever we say to each other, however angry we get with each other, expenditure will continue to be incurred in disposing of the surplus.

There is no way to avoid that, except by coming to grips with the fundamental issue; and here Parliament and the Commission are at one in seeking a solution by way of a co-responsibility levy, the modalities of which are to be discussed between Parliament and the Commission on the basis of your decisions and the proposals we have presented to you, which are not radically different from each other, but go in the same direction.

At this point, I should like to make an additional comment of some importance. I noticed in the previous discussions that several Members, including Mr Maher, were saying that Mr Gundelach's proposal did not take into account the small dairy farmers who depend on small dairy herds. Here, we are not speaking about part-time farmers who have other agricultural or economic activities besides dairy farming. I have indeed taken this problem into account in my communication on the milk problem. I believe it has to be solved, not by tampering with a market organization, but by proper structural measures to put these people in a position to earn their living, either as more efficient dairy producers, or as more efficient producers of something else.

*(Applause)*

It has to be dealt with, but it cannot be dealt with by tinkering with the market system, because then we create an element of discrimination and distortion, and an attack on efficiency which is contrary to the basic philosophy of the Common Agricultural Policy. But they have not been forgotten.

Madam President, this is my main point. All other discussions are really irrelevant if one does not face up to this problem.

My second main point concerns how you dispose of the surpluses. You can go about it in three ways: You can keep them in stock — and I am told that I have been spending too much money in disposing of these surpluses, either as exports or on the internal market, with refunds and export restitutions as provided for in existing Community legislation. I must tell the Parliament that if these measures had not been taken, then additional amounts of butter and skimmed milk powder would have stayed in stock. Stocking costs money, and if the stocks are not eventually sold, the

result is the most costly of all possible solutions — the cumulation of the intervention price and the cost of stockpiling. Stocking is the most expensive, the most irrational, and the most irresponsible way of proceeding, and for that reason I cannot accept the criticism which has been levied against the Commission for having disposed of these surpluses on the internal and external markets, in the most economic way possible.

We had a debate on the modalities in the month of October, when I made it clear — and most of the House followed me on this point — that we cannot — and have no legal basis for doing so — make a political discrimination in regard to the recipients of butter with export restitutions. I also at that time said that the Commission had at long last got the Council to accept the introduction of a control mechanism in the form of a licensing system. Following the introduction of a licensing system, the export restitutions have been reduced, with the consequence that no more butter sales have since taken place, except a very limited number of tons. This indicates that our previous restitutions were not out of touch with the realities of the international market. Those realities are perceived by the only other major exporter on the market, New Zealand.

That brings me to the accusation of dumping. We have never been accused of dumping, neither in the international fora — and there is a special one dealing with milk powder and related products — nor by the New Zealand government in regard to our butter sales. I would also like to draw attention to the fact that the New Zealand prices have always been in the same relationship to Community prices with export restitutions; when we decreased, they decreased. But I must make it clear here that they felt the Community was going a bit too far in their view for the time being in lowering restitutions.

Consequently, there is no question of dumping; there is no question in this matter of conflict between us and our trading partners, in particular New Zealand. Nor, with the series of reductions of aids for skimmed milk, beginning in the summer have we abandoned restitutions in regard to pigmeat and poultry in one go. Somebody has accused us of having done it too abruptly; had it not been done in one go, there would have been speculation. We have also lowered the level for calves as well, and we have lowered it for butter, with the consequences to which I have referred.

Finally, Madam President, it has been said that these restitutions are an advantage to individual operators. They are not. They do not apply to any one person, or group of persons, but to a number of institutions and private firms and cooperatives, who compete with each other. That excludes the kind of abuse and mismanagement to which reference has been made. They compete in what is not a sellers' market, but a buyers' market. Had our restitutions been lower, not

### Gundelach

nearly the same amount would have been sold, for of course the countries who take up these exports would then have taken margarine or other oils, and we would have been stuck with one or two hundred thousand tonnes more in stock, with the consequent expenditures for stocking and less in value of the butter in stock.

Madam President, I have obviously spoken for too long, but the questions put to me were rather pointed and rather many. I hope I have been able to clear the atmosphere. Let me end by saying, in order that there be no misunderstanding, that for the time being, as I already said, there are no exports of butter to Soviet Russia, there are no exports to Iran.

*(Applause)*

**President.** — I call Mr Dankert.

**Mr Dankert, rapporteur.** — Madam President, I think I can be very brief. I think Mr Gundelach replied on general lines in a very satisfactory way to the accusations and questions that have been directed at him. I think it has been worthwhile to hear him defend himself against certain accusations that were made concerning the waste of money.

Of course, part of the resolution says that the Committee on Budgetary Control should look further into the whole problem, but that is, I think, the normal duty of Parliament. I am glad certain of the accusations, at least, were refuted. I feel no need to continue the debate. I think, on the basis of Mr Gundelach's reply, I can recommend, on behalf of the Committee on Budgets, the adoption of the draft supplementary budget.

**President.** — We shall now proceed with the vote.

On Chapter 65, I had Amendment No 1, tabled by Mr Dankert on behalf of the Committee on Budgets, but it has been withdrawn.

I call Mr Baillot for an explanation of vote.

**Mr Baillot.** — *(F)* I shall be very brief. During the debate on the first reading, we already had a chance to state that, while agreeing with this supplementary budget, we do not share the conclusions of the Commission and Council. I think that the end of Mr Gundelach's speech proves how right this view is. Furthermore, I should like to point out that, although we intend to vote for this supplementary budget for the reasons I have outlined, we do not want to vote for the motion tabled by Mr Dankert and approved by the majority of the Commission for the same reasons as I referred to this morning on behalf of the French Communists and Allies.

**President.** — I put to the vote the motion for a resolution contained in the Dankert report.

The resolution is adopted. <sup>1</sup>

Pursuant to Article 78 (7) of the ECSC Treaty, Article 203 (7) of the EEC Treaty and Article 177 (7) of the EAEC Treaty, I note that the procedure provided for has been completed and that amending and supplementary budget No 3 for 1979 has been finally adopted. The authorities concerned will be informed accordingly.

I shall have this budget published in the Official Journal of the European Communities.

### 9. Votes

**President.** — We now proceed to the vote on the motion for a resolution contained in the *Hoff report (Doc. 1—582/79): Fixing of the ECSC levies*. I call Mr Cottrell on a point of order.

**Mr Cottrell.** — May we not use the electronic voting procedure which we used this morning for the votes? If it worked for the very important vote this morning, surely it can work for these equally important votes this afternoon. The equipment has been installed for the benefit of the House to speed our procedures. May we not now use this equipment please?

**President.** — After we had used the electronic voting system for the first time, some Members expressed the wish that, so as to prevent voting in the House from becoming too impersonal, Parliament should not completely abandon the practice of voting by a show of hands. It was in order both to comply with this request and to save time that I arranged for the very straightforward vote which has just taken place to be carried out by sitting and standing. I call Mr Damette for an explanation of vote.

**Mr Damette.** — *(F)* I shall confine myself to reminding the House that the French Communists and Allies will vote against this document for the basic reason that, while ostensibly seeking to promote coal production in Europe, it provides for a drop in French production of 1.5 million tonnes in 1980 alone.

**President.** — I put the motion for a resolution to the vote.

The resolution is adopted. <sup>1</sup>

I call Mr Lange.

**Mr Lange, chairman of the Committee on Budgets.** — *(D)* Madam President, ladies and gentlemen, what I am about to say is not an explanation of vote, nor is it a personal statement in the sense provided for in the

<sup>1</sup> OJ C 4 of 7. 1. 1980.

**Lange**

Rules of Procedure. Now that we have completed our discussions on the 1979 budget and brought those on the 1980 budget to a preliminary conclusion, I should simply like to propose a warm vote of thanks to all those who have helped us to get through this difficult procedure, especially over the last 48 hours . . .

(Applause)

This applies to those who produced the documents for us, which means those who printed them, compiled them and distributed them to us here. It applies to those whose brainwork went into preparing the way for the technical stage of production. It applies to our translators, and especially to our interpreters, who have helped us — even though it was sometimes not an easy task — to communicate with each other without too many misunderstandings. So our sincere thanks to the interpreters and translators:

(Applause)

The rapporteurs also deserve our thanks for all the work they have done; they are Mr Dankert, Mr Jackson, Mrs Hoff . . .

(Applause)

At the same time I would also like to express my thanks and appreciation to those who contributed loyally and untiringly to the work in committee. And I should like not least to pay tribute to you, Madam President, for the way in which you so diligently headed the Parliament delegation at the various consultation meetings and spoke up for Parliaments' views, and especially for the way in which you, as leader of the Parliament delegation, have worked in the last 48 hours right up until the early hours of this morning.

(Applause)

We have completed a difficult phase of our deliberations. I think we are all aware of the significance of Parliament's decision, and in due course we shall have to face up to the new demands placed on us by this decision.

(Applause)

**President.** — Mr Lange, thank you for your kind words, which I appreciate very much. I should like to add my own thanks to those which you have just expressed, both to our colleagues in the House and to all those who have been involved in the drawing up of this budget, especially to those who worked last night in conditions which were sometimes very difficult. I should also like to thank you personally, Mr Lange, for all your months of work.

Irrespective of the way in which they voted this morning, all our colleagues are grateful to you for the work you have done for this Parliament.

(Applause)

I call Mr Scott-Hopkins.

**Mr Scott-Hopkins.** — Madam President, may I strike a slightly discordant note after what has just been said, with which I would heartily agree, for both Mr Lange and indeed yourself. We have just had a short debate on supplementary budget No 3. What I regret was that Vice-President Gundelach had to make a speech today which he should have made either on Monday or on Tuesday. We all know the reasons why it happened, but in fact what he did today was to give us 20 minutes' worth of speech in reply to the debate which took place on Monday and Tuesday. I do not doubt that those replies were very necessary, but they were out of the context of what we are doing today. There is no way in which Vice-President Gundelach could have been here on Monday or Tuesday, so my plea; Madam President, applies to you and indeed to the Commission and to the Council. Can we not please in future coordinate our meetings? After all, we only meet once a month. Cannot the Commission and the Council and the Parliament services please get together so that, when we have a debate scheduled here, the necessary Commissioner is available for it? This really is terribly important. This is not the first time; if it were, I should not have raised the point, but we really do need this coordination of the services of the three institutions. Today was not satisfactory; Monday and Tuesday, for all the excellence of President Jenkins, were not satisfactory. Please can you see to it that in future it doesn't happen again?

**President.** — We shall try to get in touch with the Commission and the Council to arrange the kind of coordination which you so rightly advocate.

I call Mr de Courcy Ling on a point of order.

**Mr de Courcy Ling.** — Forgive me for raising this point of order at this moment, Madam President, particularly since I warmly endorse what Mr Lange said about the way in which proceedings are being conducted over the budget. The point of procedure that I raise is not raised to embarrass anyone, but I have been mystified three times now — the first time yesterday afternoon, the second time during the explanation of vote before the vote on the 1980 budget, and again after lunch today, just now, by an honourable Member opposite who spoke for the *Groupe des communistes français et apparentés*. Is this a new group in the Parliament, Madam President, or is it a subsection of an existing group? Does it have an official existence? Does it exist at all? What is it, Madam President? I should be very grateful if you could enlighten me upon this new mystery.

(Applause)

**President.** — As you know, some political groups, while having a well-defined structure, sometimes contain different tendencies for which some Members may act as

## President

spokesmen. The same thing happened this morning, but involving groups other than the one you refer to.

### 10. *Decision adopting the annual report on the economic situation in the Community*

**President.** — The next item is the report (Doc. 1-559/79), drawn up by Mr von Bismarck on behalf of the Committee on Economic and Monetary Affairs, on the

proposal from the Commission of the European Communities to the Council for a decision adopting the annual report on the economic situation in the Community and laying down the economic policy guidelines for 1980.

I call Mr von Bismarck.

**Mr von Bismarck, rapporteur.** — (D) Madam President, ladies and gentlemen, the Council Decision of 18 February 1974 called on the Commission to make suitable proposals each year to encourage economic convergence within the European Community and thus to lead Economic and Monetary Union to full European Union.

Before moving on to an oral explanation of the motion for a resolution which has been tabled by the Committee on Economic and Monetary Affairs, I think we should first of all ask ourselves whether the actual timing of full European Union is insignificant? In other words, is it up to Member States or their governments to decide when European Union should come about, probably with one eye on domestic policy considerations? The answer to this must be a resounding no! The peace miracle of the European Community — 1 156 years after the Treaties of Verdun, as a result of which the empire of Charlemagne was split up into three parts — which now unites 260 million Europeans in a peace which is internally irreversible, does not in itself guarantee a lasting peace for another generation or another 25 years.

On the contrary, the European Community as it is at present constitutes a serious risk to peace. From the West's point of view, the Community is not really reliable, whereas from the East's point of view we are unpredictable. In other words, the European Community illustrates the two classic sins of foreign policy against the peace.

However, if the European Community were to come to full fruition in the form of European Union, it would occupy a position of hitherto unknown importance for world peace. We could then become reliable and predictable. With our numbers soon swelling to 320 million, we should become an impregnable bulwark of peace. We should be a bit like a hedgehog: friendly and peace-loving, ready to welcome all-comers, but with the means to protect ourselves if necessary. Anyone who does not actively promote and work for the idea of

European Union is not only sinning against Europe and thus against his own country, but also against the stability of world peace and the defence of our liberty.

Economic and Monetary Union, which is the theme of this debate, is no substitute for European Union. It is no more nor less than an essential means of achieving this aim. At the same time, though, we must all realize that the basic shortcomings of Economic and Monetary Union can only be overcome once and for all by European Union. In other words, neither can replace the other. Each must grow towards the other. The more we act as if complete Union already existed, the more helpful and successful will be Economic and Monetary Union. I should like, in my following comments, to try to overcome the almost conventional complaint in this House about the lack of economic convergence and to set out a few basic conditions for more rapid and more successful efforts in this direction. Whoever is in favour of European Union and regards Economic and Monetary Union as a useful means towards this end must of necessity be in favour of more convergence and must never lose sight of the main problems we have to face — first and foremost, unemployment. We must espouse a policy which does not only seem to be the right one but which is really effective — a policy which gives serious consideration to the lessons learnt by Europe since the beginning of this century.

Given that the various Member States attach different weight to these lessons, what precisely are the lessons which Europe has learnt since the turn of the century? The first and most important of these is, in my opinion, the recognition that only what has been produced or what can be offered in the form of services is available for distribution, and that only once a year.

Secondly, what we consume today cannot be put aside for a rainy day. Thirdly, the anticipated growth in the challenges which we shall have to face in the future — and I am thinking here of full employment, energy supplies, technological change, the problem of raw materials, the North-South dichotomy and the world division of labour — means that we shall have to devote a growing proportion of our resources to the future, rather than to immediate consumption.

Fourthly, what do we mean by setting resources aside for the future? What we need, first and foremost, is greater investment in new products, bearing in mind the ecological lessons we have learnt. We need investment in new technologies, research directed at solving ecological and technical problems, investment in infrastructures, education and training, the family, better social facilities and more aid for the Third World.

Fifthly, money is only a means of exchange. Anyone who increases the money supply faster than the goods and services which are available for exchange is simply duping the people and fueling inflation, and is thus one of the main causes of unemployment.

## Von Bismarck

Sixthly, although it is true that monetary stability is mainly the responsibility of the central banks, some degree of responsibility is also borne by the two sides of industry and the national governments. The net result of wage rises which give rise to a larger measure of income redistribution than is feasible in real terms is inflation. After all, it is a fact that the money — the means of exchange — must be made available for whatever rises are agreed. Governments which continually and increasingly incur debts which our grandchildren will have to repay are likewise fuelling inflation, particularly as they regularly spend a large proportion of the incoming taxation or loans for immediate consumption rather than for future-orientated investment.

Seventhly, inflation is the root cause of unemployment. It eats into profits which should be available for future investment, and particularly for new jobs. It eats into savings — particularly of the poorest among us — and thus destroys future prospects, because without savings there can be no investment and without investment there can be no future with more jobs. Inflation erodes common sense; people tend to buy what they do not need and invest wrongly, prices begin to lie and reflect neither scarcity nor abundance of a particular product. The man-in-the-street takes refuge in material assets. Inflation erodes entrepreneurial ethics, in that prices can be fixed without any reference to scarcity or abundance. Inflation also erodes trade union ethics, in that unions can point to ever-accelerating price rises. It also erodes government ethics, in that governments are free to help themselves to more and more taxation without any attendant political risk. Inflation eats into jobs, because one of the attendant effects of inflation is that costs feed on wage rises, without at the same time fully balancing out the loss in profits. The result is rationalization, pressure on jobs and no margin for the creation of new jobs in compensation, quite apart from the inevitable mass redundancies which experience has shown result from delayed and unbalanced measures taken by governments to combat inflation. Finally, one result of inflation is that the necessary changes in production set-ups — the classic example is AEG in Germany today — are not made in time. Mass redundancies at some later time are the result.

The eighth lesson we have learnt — the need to safeguard the Community's primary energy requirements — is one of the vital questions facing Europe, and one which has so far not received a satisfactory reply. There can be absolutely no doubt that the dramatic deterioration in our oil supplies cannot be made good without energetic efforts to increase the use of nuclear energy, bearing in mind the need to protect the population from any possible risk. Without nuclear energy, there can be no hope for achieving a balance between demand and supply. Apparently, though, not everyone has fully realized — or, to put it another way, the governments have not yet realized — that the amount of money we are spending at present on research and the development of new

technologies is nothing like enough to meet our requirements and preserve our liberty. This is an area in which the Council, the Commission and the national governments must be more heedful of their obligation to future generations, and we must be prepared to offer mutual support in taking whatever steps are necessary, however uncomfortable they may be from the political point of view. We should underline the warning issued by the Commission to all the people of Europe to recognize the increase in oil prices as a reduction in our gross national product imposed on us from outside, and not make the mistake of thinking that we can simply sweep this painful fact under someone else's carpet — for instance, the employers' by suitably pitched pay demands or the consumers' by unjustified price increases — without harming the Community.

Ninthly, trying to reconcile class warfare and liberty in this day and age is like trying to get sunbeams out of a cucumber. It is not just that — as the German Social-Democrat Kurt Schumacher once said — class warfare always ends up in a dictatorship; it also leads to poverty, as is all too evident from Eastern Europe. Class warfare and poverty can only be overcome by a socially-committed market economy which creates liberty and social balance. It encourages and rewards effort and achievement — even for the weaker among us — and makes that achievement available for social purposes. It puts selfish striving to the service of the common good and, so long as the State creates and maintains the necessary outline conditions — it places the entrepreneur under the yoke of competition. It creates the right conditions for worker participation and co-responsibility at the place of work and in the undertaking, a sense of co-responsibility which pays heed to the interests of all the people of our Community in the smooth functioning of a socially - committed market economy. Such an economy makes for a lasting and confidence - generating dialogue between workers and employees, their unions and management, without the danger of conflicts — which will remain inevitable — leading to enmity and hatred, which are precisely those forces which can threaten and even destroy cooperation between the two sides of industry and thus the well-being of the Community as a whole.

A socially-committed market economy distributes and keeps a check on power and, where genuine competition exists, leaves the people to make the decisions on market supply by way of the price mechanism. It encourages the principle of liberty and responsibility, lends encouragement to the weak, draws together the basic powers of democracy in a constant dynamic process and makes the economy a means towards our social and political ends. It is only this kind of decentralized system which is suited to the federalist construction of a European Union: a federal Europe and a centrally managed economy are irreconcilable. The socially-committed market economy is in idea and substance the product of Christian ethics from the years of resistance to the inhumanity of the National Socialist

### Von Bismarck

regime in Germany. It goes without saying that this ideal has nowhere been fully realized — not even in my own country. But it has that characteristic in common with all the other standards we have ever set ourselves.

If we very largely go along with the economic rules and recommendations submitted by the Commission to the Council, and which do not clash with this principle, but — as our Treaties basically stipulate — combine the elements of the market and social commitment, if we take them as a kind of standard, we shall have a good chance of overcoming unemployment, inflation and poverty. The ethical and moral ground beneath us is firm. The struggle for a better understanding of this principle and a more effective application of it will occupy the attention of this House over the whole of the legislative period. And we can do no better service to Europe.

Finally, let me say that the Commission's recommendations to the Council are, on the whole, good, consistent and, above all, courageous. This House should call on the Council to show the same degree of courage and commitment to truth, to accept the recommendations and to use future meetings of the Council to push them through to a political conclusion. Paragraph 15 of my motion for a resolution calls on the Council and the Commission to make the fundamental and indispensable conditions for a more effective fight against unemployment — requiring a whole package of individual measures — the establishment of monetary stability and of a more rapid balance between the various regions known to the people of the Community much more comprehensively than hitherto, using more generous funds. This appeal is based on the — probably general — realisation that political leaders — either government or trade union leaders or other heads of organizations — can achieve a great deal even beyond the narrow confines of their own country. We believe that anyone who hopes to heal a sick person must first of all convince his patient that the prescribed therapy — which is usually unpleasant — will do him good. Anyone who wants to fight inflation must first of all persuade the people that painful action will first have to be taken before recovery can follow. To give you a graphic illustration of what I mean: once you have realized that an injection of artificially boosted demand, which the well-known economic physician J. M. Keynes recommended as a catalyst for economic upswing, is in the hands of others like a mainline injection to a drug addict, and if you want to relieve that person of his weapon, you must first of all have majority opinion on your side. It is, in my opinion, the classic task of the Community and, first and foremost, of the European Parliament, to take action in this matter and to convince the voters in the Community that governments need more room for manoeuvre in their policy of economic stability. This House should devote special attention to this point and help to establish realism in the place of illusion. The Committee on Economic and Monetary Affairs agreed on the motion for a resolution before you

in the course of three thorough discussion sessions and hereby submits it for Parliament's approval as a result of a number of good compromises. I believe that this compromise will enable the House to approve the motion for a resolution by a large majority.

*(Applause)*

IN THE CHAIR: MR POUL MØLLER

*Vice-President*

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

**Mr Wagner.** — *(D)* Mr President, ladies and gentlemen, as time is pressing, I shall be brief; I shall speak at most for ten minutes and, if possible, restrict myself to seven minutes. Let me start by saying how much I regret the fact that what we are being presented with here is evidently not a report submitted by the rapporteur for the Committee on Economic and Monetary Affairs, but rather the opinion of a political spokesman. I also regret the fact that our counter-proposals and the struggle which went on for days in the Committee on Economic and Monetary Affairs to find better solutions were not even given a mention. I should also like to point out that the 7 million people who are out of work, the millions of young people who have no job and cannot find an apprenticeship and the millions of women who can see nothing come of their right to work have nothing to gain from Mr von Bismarck's attempt at faith-healing and exorcism. Unemployment is not going to be done away with like that.

*(Applause)*

And there is one other point I should like to make in view of your repeated championing of the social market economy. I had not intended to come back to the very hard but fair discussion which went on in the committee; it now seems, though, that I shall have to. Whenever the market economy is seen to be a failure, when it fails in its principal task of restoring full employment and guaranteeing the right to work, it must be adapted and changed.

Let me say right at the outset that, as far as the Socialist Group is concerned, this report and this motion for a resolution on the Commission's annual report on the economic situation in the Community, laying down the economic policy guidelines for 1980, are completely unsatisfactory and unacceptable.

Paragraph 3 of the motion for a resolution — which was written in at our instigation — notes with deep concern the burning problem of growing unemployment in 1980 and stresses that a return to full employment should be a priority objective of economic policy. However, the recommendations and the economic

## Wagner

policy measures proposed in this motion for a resolution will in no way help us to achieve this aim. These proposals are essentially characterized by neo-liberal economic policy ideas. With almost 7 million people out of work, no-one can seriously speak with a clear conscience of the beneficial effects of the social market economy. What we need in the European Community is a future and employment-orientated and socially committed medium and long-term economic policy.

Out of more than ten amendments we proposed in the committee, we have tabled four central amendments, and I should like to refer briefly to two of them. Other members of my Group will be dealing with the other amendments in the course of this debate. The point at issue in the first amendment is basically to supplement an overall policy by a number of specific measures in the fields of employment, regional development, industrial restructuring, supervision of monopoly positions on the market and effective supervision of multinational undertakings.

Secondly, the present situation is characterized by a permanently high and rising level of unemployment and inflation, which are the results of inflationary structures. If growth is irregular and unbalanced, even the use of the classic range of economic policy instruments will make it impossible to control overall demand.

Another important amendment deals with the question of shorter working time, and Mr Vetter will be commenting on this element a little later. We remain convinced that unemployment can only be overcome and full employment restored by way of a qualitative economic growth which is orientated to the needs of the population, and can only be achieved by a step-by-step reduction in working time throughout the European Community.

Before concluding my remarks, let me just draw your attention to two or three worrying developments. We foresee danger for the development of the economy as a result of a short-term levelling-off in the economy next year, and no-one in the European Community would deny that these dangers are very real. They stem from an over-restrictive monetary and lending policy. We foresee danger if the report and the motion for a resolution are taken literally, with the budget and public finances being held back and if at the same time public authority deficits are not gradually eliminated over the medium term as a result of higher growth rates. By pursuing such a policy, we run the risk of getting into a recession, with resultant losses of jobs. That is why, in the Committee on Economic and Monetary Affairs, we tried most vehemently to bring out this fact and table appropriate amendments, which were however rejected.

On the question of energy policy, let me just say that we believe it should be a priority objective common to all

of us to develop and implement a Community policy on energy supplies and to give absolute priority to Community coal within this energy policy.

The Council and the Commission have had enough bites at the cherry. The time has now come for action. There are, however, two more points I should like to make to the Commission. As a result of the Council's decision on economic convergence of February 1974, the Commission is obliged to submit a report and proposals on medium-term economic developments and the employment situation. We trust that the Commission will conform to Article 2 on medium-term economic and employment developments and will submit a report at the beginning of next year which this House will then be able to debate.

As it is getting late, I should just like to say that, in view of the rising level of unemployment in the European Community, the negative economic development anticipated for 1980 and the stubborn no of the employers' associations at European level to the urgently needed reduction in working time and the measures needed to safeguard and bolster up employees' purchasing power, we must accept the attendant political and social consequences as grounds for taking common action on the overriding need to restore and safeguard full employment, to extend democracy within the economy and to bring about social reforms for the workers and employees and for broad sections of the population. That is the right way. That is the right policy. I would therefore ask you to vote for our amendments.

*(Loud applause)*

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

**Mr Giavazzi.** — *(I)* Mr President, the examination of the annual report on the economic situation of the Communities and the drawing up of economic policy guidelines for 1980 is an important moment for reflection and defining objectives in the periodic activities of the Community institutions. This activity is also part of an overall economic picture which has occupied, still occupies and even preoccupies the attention of the Community and which has manifested itself in recent days in important debates and even more important results. This, that is to say, the search for a different economic equilibrium, is also the purpose of the request for consultation made by the Council, in conformity with the Council's decision of 1974, which gave rise to the resolution which we are discussing now. The aim of the whole business is to attain the objectives set out by the Treaties of greater harmonization and stability of Member State economies for the benefit of all the citizens of the Community.

In this context I think there are three points that need to be briefly emphasized. The first concerns the assessment

Giavazzi

of the overall situation, the second concerns the guidelines and the third the resolution which we are examining here today.

Firstly the general situation. In brief, the annual report proposed by the Commission assesses the outlook for 1980, as it appears at the moment, as likely to produce only limited results, with a growth of gross domestic product not greater than 2 %, and therefore lower than the figure for the years 1978–1979, a significant average inflation rate, which it is hoped can be kept below 9 %, and therefore higher than the previous rate of 7 %, and lastly — and this is the most worrying element in the picture — a new increase in the unemployment rate which should rise to 6 % of the working population, compared with the 5.5 % and 5.3 % around which the rates had more or less stabilized for the preceding years from 1977 to 1979.

On the basis of these data the Commission sets out the following three guidelines: a) an initial freeze on incomes, in order to absorb as far as possible the increase in energy costs, accompanied by an initially restrictive monetary policy and a ceiling on budget deficits; b) only when some evidence of positive results in the fight against inflation is available will it be possible and will it be necessary to proceed to the next stage of a more positive economic policy, whilst being prepared to stimulate demand once again, especially in the event that there should be a falling off in investment and consumption; c) lastly, a policy in the energy field aimed at a positive modification of the relationship between oil imports and economic growth.

If one looks at the economic committee's report — now I am coming to the third point — it seems to me that we must first of all emphasize the fact that an attempt has been made, though perhaps with understandable differences of opinion concerning the right economic policy to be adopted, to achieve a greater breadth of vision and to bring a moderating influence to bear on the various opinions. Of course we are dealing with assessments and guidelines and we are, in particular, dealing with an annual report which we hope — and which I hope — will subsequently be modified and set out differently and more generously.

The wish and, more than the wish, the request, which I should like to express here is that we should proceed as soon as possible to a pluriannual format and that our attention should be concentrated on a somewhat more distant horizon, so that our discussions can become broader and more incisive. But even within these limits, which are already taken into account in the report in its present state and which could not but be taken into account, I think there are some more important points and guidelines which should be brought out. These are: a return to full employment, as a necessary and immediate priority objective of economic policy; the

fight against inflation, the cause of unemployment and wasted resources; an equitable division of the burden of higher energy costs, taking care to prevent the inflationary repercussions of such increased costs and the negative influence they are likely to have on the investment outlook; a coherent monetary policy in harmony with the appropriate income and tax policies, responsive to changes in the seasonal, sectoral and local situations and introduced in stages without any rapid alternations of stop and go; a more sharply defined energy policy with particular regard to research and concerned with the needs of the moment as well as future developments; a structural policy intended to restore equilibrium to discordant and ill-proportioned situations; particular attention to training, improving, retraining and redeployment of the workforce and to the aim of reducing the working week as well as to the constant aim of adapting production to the changing requirements of the general situation. The motion for a resolution is centered on these topics and on these points which I have had, of necessity, to run through very briefly.

Mr President, I shall now conclude, because time limits make it very difficult to condense one's thoughts.

I have already alluded to the limitations inherent in an annual report and though this type of report is capable of efficiently carrying out a surveying and updating role, it is on the other hand difficult for it to carry out the other — fundamental — function of guiding the national economies in the direction of a coordinated common development in a genuinely Community-based way, thereby creating greater certainty and greater equilibrium, which are vital prerequisites if the authorities in charge of the economy are to see their projects and initiatives through in an unhurried fashion. It is all the more necessary that there should be stability for projects and initiatives as part of the, admittedly gradual, creation of an economic and monetary union which is to symbolize — as the report itself reminds us — the 'basic premise of a European union'. Consequently it would not seem out of place, so long as such reports are not differently laid out, to draw people's attention once again to the inherent dangers in any assessment of the economic situation that does not look far enough ahead. At the same time, however, it also seems reasonable to emphasize that within these limits the intervention of the Parliament can and must have its own significance and its own peculiar rôle which is once again — in my opinion — that of reminding everyone, even in the economic sector, of the principles and therefore the activity — even within the ambit of the Treaties — set out as Community goals, an activity which is — once again — a stabilizing and equilibrating force especially with regard to the goal of full employment, concerned with complaints and stimuli, aware of solidarity and ready to create the means which this solidarity requires, with a broad view of things open to the outside world and capable of courage in the social sphere.

Giavazzi

If a reminder of this sort is not vain, even such a difficult situation as the present one may be seen from a point of view which we all hope will be more positive for our future and that of the Community.

*(Applause)*

**President.** — I call Sir David Nicolson to speak on behalf of the European Democratic Group.

**Sir David Nicolson.** — Mr President, ladies and gentlemen, in the face of what one can only describe as world turmoil this report recognizes the priority need for monetary stability which permits investment in new products and undertakings. It also recognizes the need for a proper energy policy and for more progress in structural change. Above all, it recognizes the need for more progress towards economic convergence by our Member States as a basis for economic and monetary union in the future.

For ten years now we have seen increasing monetary disorder causing high inflation rates, an imbalance of payments and a growth of protectionism and unemployment, and we have seen unilateral and uncoordinated national economic policies. The European Monetary System has been launched, but so far it has been mainly a divergence indicator. Now we must move on. We must, if we are going to succeed, be ambitious and have further aims. We must seek better cooperation between our monetary authorities and central banks to set common economic guidelines for the Community in such areas as budgetary, monetary, prices and incomes, exchange rate and balance of payments policies, and we must achieve greater consultation before measures are taken which have a serious impact on our partners.

We must also seek a common relationship of our monetary system to the dollar. Foreign exchange reserves held by EEC central banks, which are overwhelmingly in dollars, have increased no less than ten times in the past ten years, and there has been a corresponding increase in the foreign loans made. The inflationary implications of this are obvious. This dollar instability and international inflation, together with the different impact of oil price increases on our different economies and the varying reactions of central banks, has harmed the Community. The divergence in our economies has actually widened. It has damaged confidence, investment and growth, for price stability is a vital aim, and competitive currency depreciation is no good; neither are freely floating rates. So we must move to a monetary system which is less dependent on the dollar. The indebtedness of dollar deficits has multiplied six times in the last ten years to probably more than 200 billion dollars, and there will very likely be instability in the dollar for years to come.

We must also recognize the growing importance of the economies of Western Europe, Japan and some of the

newly developing countries as well, and we must realise now that no one country can underwrite stability and growth anymore. The gross national product of the European Economic Community is now approximately equal to that of the United States, and the responsibility in the future for the management of the world monetary system must be shared between us. In addition to coordinating our monetary and fiscal policies internally and creating the Euro-monetary Fund, we must also move towards creating a new reserve currency which can operate in parallel with the dollar, in other words, the ECU. This currency, backed by the coordinated policies to which I have referred, would be more attractive for use than Euro-dollars and would be attractive for use internally in the Community as well.

However, this convergence and coordination of economic policies demands also the organization of industry on a European scale, and this fact is not yet fully recognized in the Community. It involves, for example, making the Common Market really work, with a true harmonization of standards and a better allocation of resources for growth in new industries and for structural change, and it involves looking at EEC programmes for their distributional impact. The redistribution of wealth in the EEC Member States is healthy for all of them, and net contributions should be related to the ability to pay them. In other words these should be a progressive element.

We have discussed at great length already the need for a new EEC budgetary balance and equalization schemes. This is vital, of course, and is based on a true, sincere dedication to the convergence of economies. It will, of course, involve finding new own resources and having a bigger budget. However, let us put this question of the size of the budget into perspective. I read recently that it is estimated that the so-called 'black economies' in our member nations, that is to say, the moonlighting and unrecorded work which pays no tax, now amount to an average of something like 10 % of the total gross domestic product of the member nations. If you compare that with the 1 % which is contributed to the EEC budget, I feel there is food for thought. It may involve the transfer of certain national expenditures to the EEC, possibly in the social security field. Possibly in an unemployment fund, but all of this will contribute to the worthy goal in the longer-term of economic and monetary union if we recognize that this implies more political and economic integration.

Mr President, we in the European Democratic Group support this resolution, and we also beg the Council now to search its conscience and see if it cannot find ways of working with the European Parliament for some real new initiatives in these areas.

*(Applause)*

**President.** — I call Mr Bonaccini.

**Mr Bonaccini.** — (I) Mr President, ladies and gentlemen, in the last few days and again this morning we have examined obvious signs of the Community's current crisis. This climate of further uncertainty and ambiguity is clearly not conducive to thoroughgoing joint European action in the economic and social crisis besetting the world, and especially the Member States, today. We are faced with the high and increasing price of energy resources — the supply of which seems increasingly fraught with difficulties — a fall in the rate of development of foreign demand, a stabilization of internal demand, and a fearful worsening of the situation of those peoples who live in conditions of economic underdevelopment or food shortage. Unemployment and under-use of sizeable plants are growing. Inflation has once more become rampant, especially in certain countries, and is destroying the value of savings, the securities markets, and the very frame of reference for the most important state intervention measures. The gold and exchange markets do the rest, amid panic and constant anxiety. What is more, the Commission report warns us that the long-term growth of productivity will not be resumed in the foreseeable future.

It is in this context, with its distant but increasingly perceptible background of threats of war, that our economic policy guidelines for 1980 must be defined. No one can reasonably maintain that the problem is easy to solve. Indeed, we would criticize the Commission document precisely for some of its excessively simplistic ideas. If we then move on from the Commission report to the motion for a resolution, the choice becomes ultra-simplistic. This is the case with the fight against inflation — the most serious curse of our age. But woe betide us if we tackled it always and only in the light of the Weimar Republic of 1923, an experience whose specific aspects we nonetheless keep in mind. We agree with the emphasis on the decisive role of containing inflation in present conditions. But between that and suggesting that the only solution is to restrict the money supply there is room for manoeuvre, wide enough to allow of economic policy guidelines and measures which are complex and suited to today's needs. It should not be forgotten that the increase in oil prices has had and still has serious deflationary effects, given that the so-called recycling of global demand has so far been slow and weak. Global demand is thus deprived of significant stimuli. Even the conclusions of the very recent and cautious Dublin Summit stress this point. With great caution, paragraph 4 of the motion for a resolution states that the report 'does not overlook the imported causes of inflation', and immediately goes on to discuss only internal causes, as if we were not faced with a world problem involving nearly all countries, developed and developing, in the phase which has followed that of the Bretton Woods agreements.

To look for the origin of all evils in the present trade union negotiation policies and in excessive expenditure by households is to take a road which does not permit

correct analyses. Moreover, there is an obvious gap here between the greater caution of the Commission document and the brisker approach of the rapporteur, Mr von Bismarck. Indeed, the former document acknowledges that over the last 18 months the trend of incomes of employed workers encouraged the deceleration of inflation in 1978, and calls for a certain reduction in the rate of saving of households to sustain demand in real terms, whereas the motion for a resolution has belt-tightening as its only aim.

Woe betide us if the deflationary effects of a sudden and general restriction of demand were to be added to those of oil prices. We would plunge into a recession of such scale and depth that any stabilization of currencies would not be much consolation. Moreover, each country has its own type of inflation. Why should we confuse, by applying the same treatment, the internal weakness and creeping loss of purchasing power of the Deutschmark, which is being externally revalued, with the considerable increase in consumer prices found in Italy, which defends its currency externally with great difficulty?

We need to reconvert and restructure whole industrial sectors, to clear the way boldly for innovations in other sectors, to seek out new sources of energy, and to improve the productivity of our economic systems. We therefore need to tackle in a more consistent way the problems of supply, rather than restricting demand, which already appears to be too restricted in too many sectors. Improvements in productivity, mobility, organization of work and hours of work are more effective weapons against inflation and more desirable than general recession. In this field every country must find its own solution, but at all events the solution must be found. It would be nonsense to suggest the same measures for, e.g., West Germany and Italy — to retain the earlier example — since the only result would be to reduce production and trade in the two countries. In this phase, on the contrary, if we do not want further to reduce the growth of the gross domestic product, the countries with strong currencies must be discouraged from continually revaluing their currencies, and encouraged to work more effectively in support of trade and the economic cycle in the Community. Those with weak currencies must be encouraged to restore order and rationality in their public funds, in the shaky finances of their large undertakings and in the monetary arrangements which this effort involves.

Having tabled, together with other Members, a specific amendment on hours of work, I would like to emphasize the balance and realism which we have achieved in a measure structured so as to give rise to positive economic results, at the very moment when we are reaffirming the legitimacy of aspiring to this level of social and human progress. Moreover, what we propose does not seem irreconcilable with what the Commission suggests on the same problem, although the European Council in Dublin took a step backwards on this point,

**Bonaccini**

or at any rate introduced a further element of uncertainty and unreality which we hope Parliament will not wish to perpetuate.

Far be it from us to want to find a solution here to the complex problem of employment, but we think that all of you, ladies and gentlemen, must have in mind the serious problems facing us in some sectors of production and the need to make an adequate response to the problems created by progress in technology, in the organization of work and in productivity, and by the larger levels of capital per employee.

But I should like now to tackle the social policy aspects touched on by the motion for a resolution, and to urge you not to accept an attitude which, perhaps contrary to the wishes of the rapporteur, seems incongruous and in essence even irritating. I refer to the motion's attitude to the trade union movement. Far be it from me to wish to promote a flattering and uncritical view of the trade union movement. But we must acknowledge that it is the boast of our liberty and of our democracies that we have trade union movements which are strong, influential, not subservient to governments, but significant and representative forces in a pluralistic society, in which the desire for social and cultural change may be expressed. Let us therefore not behave like those parents who go on treating their offspring as eternal children and fail to realize that they have become adults, with the existential problems of adults. Anyone is entitled severely to criticize the trade unions, preferably with valid arguments, but let him avoid a paternalistic attitude. He will thereby gain the esteem and respect of the European working class represented in this Parliament.

And let us not forget that in all our countries and at Community level the trade union movement has chosen work and employment as its main objective.

At a recent meeting of the Committee on Economic and Monetary Affairs, Mr Ortoli was present and ended his speech by saying that the Community had not been and would not be beaten by the crisis. Very well, I share that hope with him. But if we do not want to be beaten or overwhelmed, we must respond with positive answers on the great problems of economic convergence, coordinated policies for employment and for the younger generation, consolidation of the industrial strength of our countries and of their productive capacity. We must express a will to overcome sectoral, regional and social imbalances. The criticism which we make of the motion for a resolution is that it essentially relies only on restrictive monetary measures which would of themselves further aggravate the problems of the European economy, and would be unacceptable to the people of our countries.

*(Applause)*

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

**Mr Damseaux.** — Mr President, I should like to stress four points in relation to the annual economic report of the Commission and to the work of the Committee on Economic and Monetary Affairs presented to us by Mr von Bismarck.

My first comment will be one of acknowledgment. I realize what a fine job Commissioner Ortoli has done, and I am pleased to say that I agree with the basic analysis and plans for economic policy in 1980. The priority given to balanced counter inflationary and counter unemployment policies is the right one. Let us now see if our nine governments have the courage and the political will to make the necessary steps to adjust their economic policies and to follow the recommendations outlined in this annual report.

We find it particularly important that the Commission recognizes the so far completely inadequate convergence in the economic field. This is the most regrettable thing in the present situation, and I must admit that I fear some governments within our Community lack the political will to move on with integration through converging their economic policies.

This last remark is made partly with reference to my question to the Council of Ministers in November. I then asked our Ministers on what economic basis the decision was made to establish the value of the Belgian franc as we see it today. This was not merely a nationalistic question of interest only to the Belgian public. On the contrary, it was of very general importance to everyone who had followed the creation of the EMS with interest. I did not call on the Ministers solely because, as a member of the Belgian Parliament, I wished to be kept closely informed about the disturbing position of the franc, but rather to be confirmed in my belief that currency adjustments were made after national economic considerations. The answer was completely inadequate. Actually, I could not believe that it was the answer when I first saw it. Now I know: Instead of reducing — or preferably eliminating — my fears, it has made me feel even more strongly that some of the Ministers, and particularly some of our governments of the Nine countries, lack both the courage and the political will to work in a true Community spirit. In this specific case, we see a government unwilling to take the absolutely necessary political action on the national level to solve the problem, and at the same time trying to keep its currency on the same level as other, much stronger currencies. This is an impossible situation. If the EMS is to succeed, such attitudes must be abandoned.

We must not allow the EMS to fail. We must prove to ourselves and to third countries that it is a vital part of European integration, that it has a positive affect on practically every country in this world. I therefore call on the British government now to make up its mind and join the EMS. I do believe that British government could, by positive action in this respect, prove the often

**Damseaux**

heard rumours to be false — rumours saying that our British friends are willing to abuse their opposition to their net payments in order to block even obviously positive developments in quite different fields. Such a policy could only be labelled destructive.

I want to emphasize that as far as the EMS goes, we are only in a transitional period. Our Ministers set a deadline when they decided on the system. After two years, the final arrangements will have been made, and structural decisions will have been taken. The European Monetary Fund will have been established. I think it is time to get started if we are to meet those terms. The Liberal and Democratic Group is ready to push for this development now.

In this context, it is therefore with the greatest of pleasure that I give the support of my group to point 12 of Mr von Bismarck's report.

*(The speaker continued in French.)*

My second remark, Madam President, concerns shorter working hours, which some people regard as a panacea for unemployment. I cannot agree. Let me make myself clear: I am not opposed to shorter working hours, and I believe that such a measure has its place in the social history of our society, but to generalize it and apply it without considering the competitive prospects of our firms would be to court disaster.

Firstly, because shorter working hours must go hand in hand with increased productivity and more moderate wage increases.

Secondly, because such a decision would only affect unemployment in the long term and to a lesser extent than its proponents envisage. Its effects would perhaps be felt in large firms: however, it could have a negative impact in small and medium-sized firms, where the volume of personnel, the turnover and dealing capacity are limited. In a firm one person is often responsible for all secretariat and accounting tasks. If tomorrow working time is reduced by four or five hours, or 10-12.5 %, a small firm would be unable to employ two persons instead of one to do the same job. The result would therefore be more work pressure for the person employed in the firm and work less well done.

In this respect I approve Mr von Bismarck's remarks in point 10, although shorter working hours, while contributing to well-being and while they may, in the same way as real increases in wages (i.e. increases which take account of inflation), constitute an essential objective of our society, cannot however be regarded as a measure for combating unemployment.

This is a matter which should be discussed by employers and labour in the various industrial branch sectors, and not at governmental or parliamentary level.

My third remark concerns the range of our economic estimates. The Commission's analyses and programmes have all been drawn up on a short term basis and I think it would be desirable in future if these analyses also included medium term estimates. Indeed the absence of medium, even long term estimates has been one of the major errors in recent economic policy history. Most of the rectifications, adjustments, so called reforms which were introduced proved inadequate or even failed and this was often due to the absence of medium term estimates.

In my opinion therefore the Commission's annual report should include a chapter on projected economic development in the next three, four, even five years. This is not just a question of macro-economic forecasts. We must ensure a certain degree of stability, if not absolute stability, for our industry so that it can draw up its plans for the future in as secure a climate as possible. This is why my group will approve point 9 of Mr von Bismarck's resolution.

I will conclude, Madam President, with a fourth and final remark. In view of the current crisis, the present economic situation, the present level of unemployment, and the fact that key industrial sectors of our countries are experiencing very serious difficulties, I think the less said about ideology the better. I have heard it stated during this debate that the market economy was responsible for unemployment in the Community. Unemployment is not the prerogative of market economy countries! In planned economies, in particular in Eastern European countries, there is disguised unemployment which is reflected in extremely low living standards. No indeed, unemployment is certainly not the prerogative of our Western countries where the market economy predominates. Moreover the market economy has the advantage of offering general middle class prosperity instead of universal impoverishment.

But I don't want to get involved in a dispute on theories. It is no time for theory. Nor is it time for a lamentation. Rather what is needed today is experience, action, work and a sense of responsibility.

**President.** — I call Mr Deleau on behalf of the group of European Progressive Democrats.

**Mr Deleau.** — *(F)* Mr President, ladies and gentlemen, my remarks on this debate will concentrate mainly on the written texts, that is the European Commission's proposal, the rapporteur's text and this motion for a resolution. I shall not comment on the speech of our rapporteur which, Mr President, you claim lasted twenty-two minutes.

When examining the annual report on the economic situation in the Community, one cannot but observe that the dominant note remains one of pessimism. Furthermore, the most recent economic survey of the European Commission reveals a new decline in

**Deleau**

confidence among company managers which reinforces identical findings made three months previously; undoubtedly this is all very disquieting.

Let us examine, for example, the prices situation. The upward movement of prices is accelerating again. It is true that certain products have a particularly large impact on the increase in Community price indices, in particular oil and raw materials, the prices of which have not been stabilized at world level. It is quite obvious that increases in the prices of hydrocarbons and raw materials lead to an increase in the prices of goods and services, but this alone cannot explain the continuous upward movement in prices in general. The fact is that the Community failed to really plan for and anticipate a second oil crisis, even though this was to be expected once oil producing countries' receipts began to drop and Western countries proved unable to stem their anxiety about the purchasing power of the dollar.

To some extent the energy crisis is just the tip of the iceberg. The crisis is even more serious, however. It is to be regretted that — with certain exceptions — the Community's forecasts and proposals have lacked cohesiveness. It is true that the European climate is at present both inflationary and exceptional, but let us face the facts: the inflationary character of the world economy is the overriding factor. It is the negative aspects of this which are most in evidence: fluctuations in gold, in the dollar, in precious metals.

This situation can be explained by the fact that we have not given sufficient thought to restoring the international monetary system. Our exchange rate policy depends largely on fluctuations in the dollar, and it is precisely to defend itself against these fluctuations that Germany has involved its partners in an escalation of interest rates. This staggering upward trend entails a risk of serious depression in the very short term. We cannot, under pain of asphyxiating the European economies, maintain interest rates at their present high level. They jeopardize the recovery of company profitability and, consequently, investment prospects.

However, the expansion of production factors is one of the basic conditions for restoring an economic growth rate — which we hope will be as large as possible — with a view to substantially reducing unemployment in all population groups and for all production sectors. The Commission appears to be proposing that, during an initial period, we accept a situation which is characterized by prices, monetary disturbances and depression. Then the flow would gradually be resumed, that is recourse to Community financing instruments would make it possible, during a second phase, to support those Member States facing the most serious difficulties.

For our part we cannot endorse this analysis which would mean abnormal under-utilization of human and

capital resources. In fact in our view it is an error to want to reason as if the Community formed one unit. And to assume that the German solution should apply to everybody is likewise a mistake. By all means the Community can and must have identical objectives, and one of these objectives is better economic convergence.

However, we demand the right to attain this objective by different means, since the initial situations of the various countries are very different. Let us look for example at the energy situation. The United Kingdom is self sufficient, Germany obtains almost 42 % of its energy from indigenous resources while France and Italy depend almost totally on outside supplies. The fight against inflation calls for the employment of means which can never be of the same magnitude in Germany, in the Benelux countries or in France, which has different demographic problems than its partners and where, consequently, it is normal that means should be used primarily to reduce unemployment. Thus it would be erroneous to want to apply identical solutions in the nine Community countries.

Those are, Mr President, ladies and gentlemen, the reasons why we cannot fully endorse the Commission's passive and budgetary approach.

As regards the analysis of our Committee on Economic and Monetary Affairs, I wish to congratulate Mr von Bismarck on the quality of his work and to extend thanks to him. Nonetheless we cannot accept the resolution he has proposed in its entirety. We submitted amendments in the Committee and we welcome the fact that some have been adopted; however, the fact remains that the text before us does not place sufficient emphasis on points which we regard as fundamental: the pressing need to stimulate growth, to accord priority to the fight against unemployment, to coordinate action by Member States to put a stop to the staggering escalation of interest rates, to make the investments which are indispensable if we are to develop exports, to restructure economic sectors, to make energy savings and to meet environmental requirements. The amendments lodged and presented by us comply with these objectives. We hope that they will be included as part of a dynamic medium term economic programme, which — and this we feel is a mistake — appears at present to have been relegated to second place. In this period of uncertainty we realize that economic forecasts are very unreliable. This is why it is all the more necessary to have a serious programme, including all possible variants which would permit instantaneous action. In this context I should like to repeat on my own behalf the wish expressed by the Chairman of our Committee on Economic and Monetary Affairs: that this Committee should be associated more in the presentation, in the preparation of the annual report on the economic situation and in the quantitative analysis preceding it. Undoubtedly such cooperation would help us to anticipate the future better. We appeal for such cooperation and hope that our appeal will meet with a

**Deleau**

definite response in the very interest of the work of this Parliament.

*(Applause)*

IN THE CHAIR: MR ROGERS

*Vice-President*

**President.** — I call Mr Petronio.

**Mr Petronio.** — *(I)* Mr President, having taken an active part in the work of the Committee on Economic and Monetary Affairs which assisted Mr von Bismarck in drawing up his report on the Commission proposal on the economic situation and guidelines for 1980, I wish to thank the rapporteur for the excellent work he has completed in such a short time, as well as the Chairman of our Committee, Mr Delors, who very competently presided over work on what he himself described as the first offspring of our Committee to come before Parliament.

The delivery of this firstborn was not difficult. Indeed, if I remember rightly, the report was approved with no votes against and only a few abstentions; other amendments have been tabled and will be voted upon.

I think it important to refer back to what Mr Damseaux said, namely that it would be useful if this foray of ours into the hypothetical future world of the economy were to extend over more than a year. Although the acceleration of history may be an established fact even in economics or industrial policy, a year is very little in comparison with the perspectives which the technical and political capacity of a Parliament such as this can encompass. It would therefore perhaps be useful, as Mr Damseaux said, to have a wider horizon.

I associate myself here with the words of our current President, Mr Rogers, who explained his abstention in committee — if I am not mistaken — by expressing the view that Mr von Bismarck's report was not very original. Originality is therefore to be found in considering a longer period of time and a wider perspective.

However, my opinion differs from that of Mr Damseaux when he said just now that we should avoid theory and concentrate on deeds. This morning we carried out a remarkable deed by rejecting a whole budget. That was a practical act. Now inevitably we are concerning ourselves with theory, also linked to certain practical acts, and when discussing theory one must be able to rise to a higher plane even if the subject matter is as dry as economic or industrial problems.

One need only mention the conflict between an increase in interest rates, which is proposed by nearly everyone,

and full employment, which is advocated by some. I wonder how one can obtain full employment if money costs more as a result of the increase in interest rates and therefore, according to an anti-Keynesian monetary policy, I might almost say according to the theories of Milton Friedman's Chicago School, when money costs more investment is discouraged and therefore in practice the absorption of manpower is discouraged. Some may say that in that case an inflationary policy would be better. I am not sure. I say only that the policy of redistribution of national income — not distribution but redistribution, as we stipulated — is linked with two basic factors of which I do not know which is the more important — wage increases on the one hand or fiscal policy on the other.

We, for our part, are not afraid of wage increases. High wages mean a high rate of consumption. Otherwise there is a vicious circle: low wages mean low consumption, which in turn means low productivity, and low productivity means low employment of manpower. Then, in any case, the redistribution of income is achieved by fiscal means. Nevertheless, the States which carry out this redistribution using fiscal instruments must not take measures of a paraeconomic, non-economic or even patronage kind — as occurs in some Mediterranean countries which I know well — but should use the resources obtained by fiscal means for a structural policy — important, nay essential also for the purposes of convergence policy — which must however involve, in general, participation of workers in the running of the plant, of the undertaking, and of the national economy. This is perhaps the crucial question of the present day, which we shall perhaps debate when this Parliament comes to discuss the German worker participation experiment.

For the rest, I think I can say that Mr von Bismarck's work was valuable and excellent. Our Committee has given great attention to what I would call its first work of economic philosophy. However, we need a guiding concept to free us from those shackles which would otherwise bind us to outdated budgetary ideas and to old restrictive concepts of a Parliament whose only function would be to record the decisions of the Council of Ministers. Well, the debate has begun, and even if it threatens to spill over into theory, I do not know of any honest and worthy practice which is not basically derived from a noble economic or political theory.

**President.** — At the current meeting of the enlarged Bureau, it was decided by the group chairmen that all items on the agenda would be concluded today. In order to do this, they agreed to curtail the speaking time originally allocated to their groups. I appeal to honourable Members not to ask the Chair what their speaking time is, but to ask the secretariat of their group. The Chair cannot allocate speaking times within the groups.

I call Sir Fred Catherwood.

**Sir Fred Catherwood.** — It is very important to get the debate on the GATT in today, because we do want Parliament to express an opinion on the GATT before the signature. I therefore wish to say that I am most grateful to you and to anyone else who is cutting down their time.

**President.** — I call Mr Moreau.

**Mr Moreau.** — (*F*) Mr Vice-President, ladies and gentlemen, the discussion of the Commission's Annual Economic Report for 1979—1980 should be an important moment for our Assembly. For my part, I regret that our agenda has perhaps not allowed us sufficient time to devote to it since this is an important debate in that our European Community would be impossible without common policies and certain degree of convergence between the economic policies of the Member States. Furthermore, the discussion of a report of this kind should permit our Assembly to express its wish to see the Member States, the Council of Ministers and the Commission look beyond the short term and make medium-term plans, thereby indicating their ability to control economic and social developments to the advantage of our people and, in particular, the most sensitive and underprivileged regions and groups.

Unfortunately, this is not how matters stand today. The report strikes one more as a list of established facts than as a fresh analysis of the reasons for our economic problems. As regards solutions, it sticks to the standard remedies which will not, in our view, be adequate to deal with the challenges and threats with which the countries of Europe are faced. In particular, in its choice of priority objectives, the Commission has deliberately ignored the need for full employment and accepts, in our view too easily, the idea that industry might not in coming years be a major source of new jobs. This is a traditional analysis and these are traditional remedies which give the impression of knuckling under to a situation presented as inescapable rather than the affirmation of more determined policies both within the Community and *vis-à-vis* third countries.

So far, the policies advocated have demonstrated that they are limited and unable to get at the roots of the problems in our economies, i.e. inflation and varying degrees of unemployment.

So as not to exceed the time allotted to me, I should like to consider three points and conclude by making an observation.

Firstly, I should like to consider the proposed guidelines. What does the Commission envisage for our future? There is to be an initial phase which might be termed "recession" during which our objective is to avoid a secondary increase in the inflation rate, particularly by means of controlling incomes and hence wages. The new foreseeable oil crisis would thus be absorbed to a great extent by a smaller increase, in real

terms in wages. A second phase would involve, if necessary, carefully calculated measures to boost the economy. Thus the accent is laid on a very restrictive policy at both the budgetary and social level. While we should not underestimate the difficulties facing all the Member States of the Community, it is nevertheless astonishing that the Commission is content with short-term measures and does not place the emphasis on inflation — which does not depend solely on short- and medium-term factors but also has its roots in structural problems, such as the serious inequality which exists and, in some cases, is increasing in the field of economic and social development at regional level and as regards the incomes of certain groups, the unstable international monetary situation which has a negative effect on our economies in spite of the existence of a European Monetary System, which is something which we all agree is necessary but which we would have liked to have seen accompanied by common policies in the economic, budgetary, monetary and regional fields, the increasing tension in international economic and trade relations and the inadequate degree of coordination between economic policies which results, in particular, in a race to up interest rates. In most of our economies, inflation is in fact acting as a drug and a source of illusions. We do not think short-term measures are adequate to permit a more healthy development in our economies. What we need is determined policies covering all these factors. Secondly, I should like to say a few words on the problem of the control of wage negotiations. The policy which has been put forward proposes measures involving wages and a reduction in saving. This is tantamount to saying that it is wage earners who should primarily bear the brunt of the increase in oil prices and the consequences of the American recession. The Commission envisages a reduction in purchasing power for various groups. In addition, we cannot accept the idea whereby the freedom of the two sides of industry to negotiate could be limited, particularly as the Commission has not put forward any new solution to the problem of unemployment, nor can we be content with the statement that we must create additional jobs in public and other services, even though we are convinced that the tertiary sector will be one of the major sources of jobs in the coming years.

Thirdly, there is the need to reaffirm full employment as one of our two central economic objectives for next year. The fight against inflation is certainly a vital objective, as we all know, but we in the Socialist Group affirm that today we must also pursue another objective of equal importance, i.e. the fight against unemployment and, consequently, affirm the need to return, in the medium term, to full employment. As Mr Vetter will explain in more detail we cannot accept the way in which the Commission report deals with the question of reducing working hours.

Finally, I should like to comment on what has been said about energy and the dissociation of growth and energy

**Moreau**

consumption. The report mentions the need for research aimed at increasing the Community's self-sufficiency as regards energy sources and promoting a healthy development in energy expenditure. However, we would have liked the Commission to go a little further and outline some measures rather than making do, on this vital point, with mere statements which are interesting but which at this stage represent only intentions and not actions. We have no real policy in this field as yet. It is, however, a vast field which could permit the affirmation of common policies which would be in the interests of everyone. However, the difficulties we encountered regarding the budget show the limits of the Community spirit in the Member States. Mr President, this is what I wanted to say on the report submitted by the Commission. Thank you.

*(Applause)*

**President.** — I call Mr Friedrich.

**Mr Ingo Friedrich.** — *(D)* Mr President, ladies and gentlemen, I must begin by repudiating in the strongest possible terms the remarks made by the first speaker for the Socialist Group, Mr Wagner, who regretted that Mr von Bismarck had not referred to the unemployment position in his report. That was pure polemics on the part of Mr Wagner, because the fact is that in the first paragraph of Mr von Bismarck's report, in which he refers to the aims of economic policy, he says that the Committee was deeply disturbed about the predicted rise in unemployment. He went on to emphasize that the restoration of full employment must be a priority objective of economic policy. In other words, the point is made at the very start of the report. The fact that Mr von Bismarck's speech went beyond the report and placed it in a macroeconomic context is of course another matter entirely.

Ladies and gentlemen, we Christian-Democrats — and I have the honour to speak on behalf of my Group — will not put up with any attempt to brand us as hostile to the interests of the workers and employees. In no other field and in no other policy do workers and employees have so much freedom to develop into responsible human beings as they have with our economic policy.

Ladies and gentlemen, allow me to say a few words about the trade unions, as Mr Vetter will be speaking on the same subject later on. I should just like to make the point that in no country which does not practice the social market economy have the trade unions such an important role to play as in the social market economy countries.

Moving on to what I personally have to say, the important thing as far as I am concerned is the link between inflation and full employment. It seems to me that there is often a danger here of a kind of unholy alliance arising between politicians, the public sector

and the large undertakings. The politicians can dole out election presents and social welfare measures. They then all combine to form an unholy alliance which eventually leads to inflation. I thought I detected in a number of speakers' remarks the view that a bit of inflation would make it easier to get back to full employment. Verily I say unto you, precisely the opposite is true. Let me give you an example of what I mean from the medical field. Let us take a patient who is suffering severe pain and so goes to see his doctor. The doctor unfortunately does not diagnose the cause of the illness but gives the patient painkillers. What do you think would happen to a patient whose treatment consisted of painkillers for a number of months? As the illness itself is not being treated, it naturally gets worse and worse. Because the pain also gets more severe, the dose of painkiller has to be increased, and after a time the patient is feeling even worse than he did before and has moreover become addicted to his painkillers.

Ladies and gentlemen, that is precisely the economic situation in the European Community today. The sickness is unemployment, and the painkiller is inflation. Our economy is already addicted to inflation and is bound to show withdrawal symptoms when we get round to introducing the absolutely essential policy of stability. According to the latest statistics, we have an inflation rate in Europe of 12 %. The rate of inflation has increased in recent years at a time when there has been anything but a fall in unemployment. Let me make a prediction: if we do not manage to reduce the rate of inflation, if instead it continues to rise, unemployment will increase with it.

*(Applause)*

Ladies and gentlemen, there are figures issued by the Economics and Sociology Faculty in Nuremberg which show empirically that those countries with a stable currency can also boast of a more stable overall economic situation and less unemployment, and vice versa. This being so, I simply cannot understand something like amendment No 7 which says that we should also bear in mind the danger of deflation.

Ladies and gentlemen, that really is a bit too unrealistic. To speak of deflation in our economic situation has nothing whatever to do with a realistic assessment of the situation. How then can we treat the disease of unemployment? There can be no doubt that we are determined to tackle the problem, and to give it priority. As the report says, the means at our disposal are monetary stability, a common monetary system which, for instance, will stem the flood of dollars which is being caused by oil developments in the Middle East, and which would otherwise engulf each of us individually.

The important thing is to carry out a structural reorganization of our industries in good time. Here we

**Ingo Friedrich**

must have the necessary courage to put the new jobs on offer at the right time and not wait until it is too late before standing up and saying that 10 000 or 20 000 jobs are now in jeopardy. That would be the result of a policy which takes the right measures too late. We must get in in good time.

Thirdly, we must be able to offer new products and new services. God knows, there are enough services which are sensible and necessary. Let me just give you a few examples: services in the field of environmental protection and the development of new sources of energy, safety and health of people at work, greater safety in the transport sector; there are any number of new services and products which offer a wide range of opportunities.

Finally — and this is something I would state quite clearly and categorically — we need to give some thought over the medium and long term to a sensible reduction in working time. In the last 60 years we have reduced working time by an average of a half, and it will of course be both necessary and right to continue this trend over the medium and long term.

Mr President, ladies and gentlemen, we must sometimes be prepared to do unpopular things. The right medicine is often the nasty one; it may even hurt at times, but it does have the advantage of healing the patient. The sweet poison of inflation casts a veil over the reality of the situation and leaves the infection itself to attack a wider range of victims. Who — if not the European Parliament — can we expect to have the courage to tell the unpopular truth to the people of Europe? Parliament showed this morning that it had the necessary courage and I would now call on this House to show that courage in the future as well. If we offer our people the solutions put forward by the Commission and by Mr von Bismarck on behalf of the Committee on Economic and Monetary Affairs — and I should like to say that the Committee has done a precise and serious-minded job of work under the chairmanship of Mr Delors — I feel we should remind ourselves of the old biblical quotation which begins: 'Not by their words . . .' — and there are many plying the highways and byways of the land and crying from dawn to dusk: 'Fight unemployment' — 'not by their words', ladies and gentlemen, 'but by their deeds shall ye know them'. I would therefore call on this House to act and to do what is right, and to support Mr von Bismarck's report.

(Applause)

**President.** — I call Mr Hopper.

**Mr Hopper.** — Mr President, I rise to compliment Mr von Bismarck on his excellent report. He is an apostle both of the social market economy and of a united Europe, and both his idealism and his good sense shine

through his writing. I should like to address myself in particular to paragraph 12 which reads:

The Parliament agrees with the Commission that the greater stability of exchange rates resulting from the system should be extended beyond the range of currencies participating at present.

Since there is only one EEC currency not participating at present, namely sterling, he is presumably saying that sterling should join the EMS as a full member. I am in spirit a federalist. I look forward to the day when a United States of Europe will extend from Greenland's icy mountains at least to the Greek islands. When that occurs there will be one federal finance ministry, one federal central bank and one single currency.

There are some who believe that the EMS is a kind of halfway house to a single federal currency. I should like, respectfully, to disagree. Indeed, I would go further. I believe that the EMS is a step away from monetary union. As long as Europe consists of separate economies with separate currencies there will be a need for factors of adjustment between them. The most efficient and sophisticated method of adjustment is the foreign exchange market. A foreign exchange market, when not inhibited by institutional barriers, permits national interest rates to adjust themselves to expectations regarding movements in currencies. Other things being equal, it enables an easy flow of credit to take place across national boundaries.

When the EEC introduced the EMS, it replaced a sophisticated market mechanism with a sophisticated but only partially effective cartel. This cartel inhibits the normal adjustment processes between the Member States. It inhibits the flow of credit. It is therefore a step away from monetary union. With cartels as with crimes, one should always ask *cui bono?* Whom does it advantage? The question is almost self-answering: it advantages the strongest Member. All the full Members of the EMS, except for Germany, dance to the tune which is played by the skillful musicians of the Bundesbank. When the Dutch central bank raises its interest rates it is likely to be because it suits the policymakers in Frankfurt. You cannot name a single occasion when the German monetary authorities have raised their interest rates because it suits the policymakers in Amsterdam.

The question, Mr President, is: shall we join the dance? I would submit that it is not in the interest of the United Kingdom to do so. Does that mean that we can take no steps today towards the ultimate goal of monetary union? There is one extremely important step that can be taken. Just as the free movement of goods is inhibited within the Community by non-tariff barriers to trade, so the free movement of credit and capital is inhibited by all kinds of legal and institutional barriers. Let us move to eliminate these barriers and to create a genuine common market in credit.

(Applause)

**President.** — I call Mr Fernandez.

**Mr Fernandez.** — (F) Mr President, unlike the previous speakers, I shall not be paying Mr von Bismarck any compliments.

Indeed, the Commission's report presents a thoroughly recessionary programme which envisages in particular a low rate of growth of about 2.5 %, a real increase in unemployment to almost 7 % of the active population, increasing inflation of around 9 % — more for some countries — and lastly a sizeable balance of payments deficit.

Mr von Bismarck, the consequences of this kind of policy will be very difficult for workers and their families. Indeed, their position has been difficult for a long time already, and an attempt is being made here, as in France and elsewhere, to hide the real reasons for this situation. The Commission's report centres its explanations on the rise in the price of oil. In other words, this report knowingly starts from a false premise. For, as you know, oil is not responsible for the crisis. Inflation began several years before the oil price rise of 1973. The rate of inflation in France is 12 %, and this is a figure which cannot be explained simply by the increase in oil prices. I ask you, therefore where does it come from? From the rise in wages? But wages are not keeping up and purchasing power is falling or stagnating.

In fact, the rises in the oil price are a matter of regaining lost ground. The OPEC countries have seen their purchasing power drop by 40 % between 1973 and 1978, due in particular to inflation and the fall of the dollar. This latter factor allows the oil companies to make extra profits — for example, 4 000 million francs for the French companies in 1978. While the producing countries are finding it difficult to maintain their purchasing power, while the workers are seeing their stagnate or diminish, the oil companies are making fabulous profits. The French press recently published the figures. The profits of the Compagnie Française des Pétroles, for example, increased sevenfold and will amount to 2 200 million francs. Those of the British company BP will total £ 1 200 million. The argument that the oil price is responsible for the crisis thus loses all credibility. Even such an official organisation as GATT has expressly acknowledged this in its last annual report, which says, and I quote: 'The dangerously false notion that the increase in the price of oil was one of the major factors behind the upsurge in inflation and the expected deterioration of the employment situation is refuted by the facts.'

My colleague Francis Wurtz quoted this report in this House before, in September. And he went on to say: 'I expect that some of you will contradict this assertion, or at least comment on it.' Well, ladies and gentlemen, let me say that we are still waiting! In fact, it is this pursuit of maximum profit that is the source of inflation and

the present crisis, it is for the sake of increased profits that austerity is an essential feature of this policy. That, indeed, is what the Commission itself says in its report, where it states that there must be a more rapid transfer of savings towards the private sector, that public expenditure must be reduced, that there will have to be acceptance of wage restrictions and cuts in purchasing power, that there must be a curb on wage negotiations and workers' demands, that there must be reductions in working hours — though without affecting employers' costs, in other words at the expense of wage earners — or that the linking of wages and salaries to the cost of living index must be stopped as and when it is deemed necessary in certain countries.

What all that amounts to, ladies and gentlemen is a levelling down of social rights and benefits. That is the unacceptable face of this policy. In order to foster the pursuit of profit and perpetuate these anti-social principles, it thus becomes necessary to coordinate policies for austerity, to further develop, and intensify the policies for industrial restructuring and monetary integration. These austerity policies were reflected both in the Council's draft budget and in the report delivered by Mr Dankert on behalf of his Committee, and it is these policies that my friend Louis Baillot was opposing when he explained the reasons for the French Communists and Allies' rejection of the motion. The point at issue is not so much the need to dissociate the question of oil imports from that of growth. The real contradiction is between, on the one hand, a policy of austerity designed to boost the profits of the multinationals, the result of which is to prevent growth and create unemployment, and on the other hand the multinationals' own need for this growth if they are to make profits. It is the very logic behind this policy, with its internal contradictions, which is the real cause of the crisis.

It is against this logic and against this policy that there is, in France and elsewhere, increasingly frequent, strong and effective opposition, rejecting all specious arguments. Yes, the workers demand the right to live, as is only right, for the important thing is to satisfy essential social and national needs. To say, as does the report, that solutions at national level are no longer possible, is a specious argument.

As my colleague Félix Damette has shown, we must use all the energy resources of Europe and of France. We must change our policy if we are to change our economic situation. We must both boost production and create sufficient dynamism to meet our national needs in terms of consumption and trade. But in doing this account must be taken of the interests of the workers — and I fear, ladies and gentlemen, that a majority here has already refused to consider these interests. It is for all these reasons that the French Communists and Allies will vote against the report of the Committee presented by Mr von Bismarck.

(Applause)

**President.** — I call Mr Nyborg.

**Mr Nyborg.** — (DK) Mr President, the Commission documents comprise two things, i.e. the annual report for 1979 and a forecast or a number of indications from the Commission to the national governments regarding economic policy for the coming year, in this case, 1980.

As usual, the European Parliament is discussing these guidelines for next year's economic policy far too late. This is because the Commission submits them to us too late. The national budgets are adopted well in advance, long before Parliament can issue its opinion and long before the Commission documents are available. For this reason, today's debate is, as has so often been the case in the past, a largely theoretical affair. This is what I call being wise after the event.

In its resolution of 11 December 1978, the European Parliament expressed the wish that this procedure should be changed. I'm referring to paragraphs 17-19 of the Stetter report. The Commission has not reacted. Why not? Why has no procedure been introduced which would satisfy this Parliament's information requirements in good time? Why do we not divide this into two separate documents so that the forecast, which it is hoped that the various national governments will use as their basis in the coming financial year, can be submitted by spring so that the governments can really learn from the document drawn up by the Commission and take advantage of it, instead of it being drawn up for no purpose?

The President, Mr Jenkins, has always been in favour of good cooperation with the European Parliament. He has recognized the significance of the directly elected Parliament. It would be nice if this could rub off on the rest of the Commission so that the recommendations made by Parliament would be taken seriously and that things would be organized a little better since it is only common sense to have things at a time when they can serve some useful purpose and not when they are already out of date. Unfortunately, I must keep my remarks to a bare minimum since time is short.

I hope we can get further away from the various state aids to various sectors of industry since these result in distortions of competition and constitute an obstacle to free trade. I am pleased that the EMS has got underway, and that it has been so successful in its first year of operation. However, I do not think it is such a good idea to accept deficits in the national budgets, to allow public expenditure to rise to so far as to represent a disproportionately large fraction of the gross domestic product and to reduce working hours. This will all have a detrimental effect on production in our society. It will lead to drops in exports, balance of payments deficits, inflation and unemployment. I have said it before and I will say it again: why do we not make a sensible attempt to rationalize the public budgets, to allow savings to be reflected in tax reductions, which in turn

would mean that wages could be kept in check with the result that our countries would become more competitive on the world market. This in turn would mean that we could increase our exports and hence establish some order and system in our economy.

(*Applause*)

**President.** — I call Mr Almirante.

**Mr Almirante.** — (I) Mr President, after the very explicit speech by my colleague Mr Petronio, I shall confine myself to a few comments, also in order to save time.

First and foremost, I must express regret that such an important debate met with the almost total indifference of Parliament, after the tension of this morning. Next, on behalf of all of us in the Italian National Right, I wish to congratulate most warmly the rapporteur, Mr von Bismarck, and the Committee for their report. I wish to congratulate them because, as Mr Petronio pointed out a short time ago, at last we have here a forward-looking, open-minded report, one which presents the subject in an economic but also in a social context, and I think indirectly in a political context, setting us on the right road, the 'third road' as we call it in Italy — that is avoiding the Marxist road but also to a considerable extent the road of liberal capitalism.

Turning to detailed comments, it is with great satisfaction that I note that unemployment is seen as the chief evil against which we must fight. The figures given in the report are staggering, and we know them only too well. We are moving from 6 million unemployed in Europe to 7 million. When I think that a quarter, or perhaps even a third of that figure is made up of Italian unemployed, when I think that to the unemployment in Italy must in a sense be added the employment which 2 million Italians have found abroad — employment which unfortunately would disappear or at least diminish if unemployment were to increase further in the countries such as West Germany which have so generously accepted our workers — I cannot but acknowledge that the report is correct in seeing this as the chief evil to be fought.

But even more important is what the report says about ways to combat unemployment and inflation simultaneously. For once, we have an anti-inflation plan which is not based on a so-called austerity policy involving interest rate increases, which my friend Mr Petronio rightly condemned. This document envisages fighting both inflation and unemployment through an increase in productivity. Such a stimulus to productivity would not conflict at all with wage increases, so long as these prospective increases in wages, salaries and pensions are given to workers who are still working or have already provided their labour. We have had enough of the public assistance policy implemented in some countries, such as Italy, where many workers are

### Almirante

paid for not working — through no fault of their own, but because of the anti-productivity policy which is being followed — through the various mechanisms of the social security schemes, which are necessary, just as hospitals are necessary, but which continue to maintain in a unhealthy condition a large part of our national economy and a considerable part of that of the countries of Western Europe.

In this context, I was struck by the fact that the Italian Communists attacked this report precisely for going against the policy of the large left-wing trade union organizations, which unfortunately dominate trade union affairs in Italy, and I think not only in Italy. Luckily for the Italian Communist Members, Mr Amendola, an esteemed colleague and distinguished figure of Italian and international communism, is no longer in this Parliament. For if Mr Amendola were here today and were to speak — as he undoubtedly would — sincerely, he would join with me, with us and with Mr von Bismarck in attacking the anti-productivity policy — demagogic and opposed to the interests of the real world of labour — pursued by the trade unions in our country and in the other countries of Western Europe.

Therefore, when Mr von Bismarck came out openly in his speech against the class struggle, in which he sees — as well as in the trade unions and parties which seek to wage the class struggle in Europe — the enemy of the European economy, of social relations in Europe, and of the future of the European peoples, I was very pleased because that is the language which we should talk in the European Parliament and our national parliaments if we wish to save a continent which from the peak of civilisation is gradually, or indeed rapidly, plunging — especially in certain countries — into the abyss of fundamental social, economic and political crises.

I would also congratulate the rapporteur and the Committee because, in taking up a position against the class struggle, permanent conflict and the demagogic policy of the trade unions, they do not, however, come out in favour of liberal capitalist doctrines, but seek to further the policy which in West Germany, through your efforts, has also been furthered in Parliament, namely the policy of worker participation, of the social contract, of a responsible partnership among all the productive forces, between workers and employers. This policy tends to overcome the hierarchical contract — the wage or salary relationship — and transform it into a permanent association for the benefit of all, into a fair redistribution of incomes. That is why I have spoken of a third road. It is being talked of in Italy, and let us hope that the decision will at last be made to take that road as soon as possible, abandoning both the Marxist and the liberal-capitalist roads in order to follow that of a Europe of participation, social harmony and a planned economy.

**President.** — I call Mr Vetter.

**Mr Vetter.** — (D) Mr President, ladies and gentlemen, it is impossible to say for sure how much effect a reduction in working hours would have in the short and medium-term. The reduction of working hours is no instant panacea and no substitute for a general policy of growth and readjustment. As you can imagine, this statement is not mine but comes from the Annual Economic Report of the Commission of the European Communities. It is in particular this statement that I should like to go into in some detail. A few days ago, the Employment and Careers Research Institute of the Federal Labour Office in Nürnberg published a study which confirms numerous other research results. This study states that reductions in working hours in the Federal Republic of Germany between 1973 and 1979 ensured that jobs were available for some 800 000 workers. It goes on to say that without reductions in working hours the number of registered unemployed would have been over half a million more than it actually is. In the past 20 years, working hours have been reduced in our country — on the basis, naturally, of collective agreements — by 20 %. The 40-hour week was in effect undercut long ago for more or less all workers. The 40-hour mark is thus far from being a barrier of insurmountable proportions for economic or any other reasons. We regard it as more than doubtful whether full employment can be restored in the foreseeable future simply via the expansion of demand. A continuation of current economic policy, with monetary stability as the supreme objective, is bound to lead to a further decline in employment. All forecasters agree on this. Therefore — and this is the policy of trade unions in all member countries — the reduction of working hours remains a means of central importance in reducing unemployment.

The study I mentioned before also states that forcing the pace of reductions in working hours — principally with regard to part-time working, weekly working hours, overtime and holidays — would increase the number of people in gainful activity in the Federal Republic by about 2.1 million for the same volume of work by 1985. The demands of the European Trades Union Confederation for a 10 % reduction in working time over the next four or five years thus find striking corroboration.

However, at its meeting of 22 November the Council of Ministers for Employment and Social Affairs *de facto* rejected the Commission's proposal for introducing a policy of coordinated reduction in working time in the Community with the cooperation of the two sides of industry. In its assessment of the effect of reductions in working time on employment, the Annual Economic Report the Commission has now presented also falls far short of what the same Commission submitted to the Council of Ministers for Employment and Social Affairs. Therefore we must simply say, firmly and uncompromisingly, that we can but reject such a policy

## Vetter

of economic survival training as unsuitable, short-sighted and irresponsible. It is regrettable and fateful that the Council, and now to a certain extent the Commission as well, have adopted the view of the European Employers' Federation.

The gradual introduction of the 35-hour week, reducing the years spent at work by lowering the retirement age and extending and improving formal education, increasing annual holidays and phasing out overtime are all indispensable, concrete measures which will contribute to the better distribution of work. I think this House would be well advised in its decisions and recommendations to make reducing the time spent at work one of the central measures in the Community policy for combating the effects of the economic crisis.

*(Applause)*

**President.** — I call Mr Herman.

**Mr Herman.** — *(F)* Mr President, ladies and gentlemen, it is obviously difficult, in a report covering such an important topic as economic policy, to bring out all the necessary finer points. That is why, while endorsing the general principles outlined in the von Bismarck Report, I should like to qualify just three points.

The first is concerned with investment. It seems to me that a return to economic growth in Europe will not be possible unless we pursue a concerted policy for the revival of investment. This revival cannot come about spontaneously just because of a reduction in inflation — although this would certainly help. The decision to invest, however, is greatly influenced by uncertainty as to medium and long-term economic developments. Investors themselves are unlikely to be able to overcome or control these factors of uncertainty.

That is why I feel justified in making a plea for a European initiative regarding risk capital. In my view, the European Communities should, apart from the European Investment Bank, promote a similar institution which, instead of simply making loans, could contribute risk capital to industrial undertakings established on a trans-frontier basis in the EEC. This would, I think, be an effective means of counteracting the hesitation felt today by too many private investors.

The second point I should like to make concerns industrial, and more particularly sectoral policy. The Commission must, in my view, do more along the lines of what it has started to do, after some initial hesitation, in sectors in difficulties such as steel, textiles and shipbuilding, but above all it must develop its coordinating activities and give greater incentives in new fields. A start has been made with its telematics projects, but the Commission must broaden its horizons, it must broaden the scope of its activities in all fields with prospects for the future.

Free market forces cannot, in fact, promise the same results in the same time as can be achieved by coordinated efforts on the part of public authorities and private industry. That is why I am in favour of increased Community action to coordinate industrial and sectoral policies, primarily in new sectors and those sectors where the scale of the necessary technological changes goes beyond what individual companies can carry out on their own.

Lastly, I come to my third point, which concerns the reduction of unemployment. It is, I think, clear that because of structural population trends far more young people will be arriving on the labour market in the next five or six years than there are older people reaching retirement. This is a structural phenomenon, but it is not a permanent feature. It will, I think, affect the market for jobs over the next five to ten years at most. This means we must not take any irreversible steps, for it may well be that in five to ten years we will be faced with a labour shortage in Europe.

For a period of five to ten years, therefore, exceptional ways have to be found of combating this high level of unemployment. The demand for reductions in the time spent at work, as at present formulated, does not seem to me to be a decisive factor in reducing unemployment, unless you accept that this reduction will logically be accompanied by a parallel reduction in incomes. It is only on this condition that a reduction in working hours could possibly be a factor in reducing unemployment.

On the other hand, restructuring working time by means of part-time working seems to me to be a rather more attractive idea.

However, at a time when our economies have to face up to what is tantamount to an extra tax in the form of the rise in oil prices, I find it surprising that reducing our efforts, in reducing our working time, should be seen as a valid response to this challenge. Mr Delors once voiced his scepticism, or at least his disquiet, in this House, at this way of reacting to the oil burden by a reduction in working time. This is a question which deserves careful attention.

I think we must be extremely cautious in claiming that a reduction in working time, without any reduction in incomes, is a means of reducing unemployment. This analysis does not seem to me to be correct and fits in neither with the findings of simulation exercises run on the various economic models nor with the thinking of our most experienced economists. Consequently, other means, other methods must be found for reducing over the next few years this massive level of structural unemployment.

Besides part-time working, measures must above all be taken with regard to professional and geographical mobility and the training or retraining of workers.

**Herman**

Besides the whole range of other measures which come under the heading of macro-economic remedies and those that I mentioned with regard to investment and industrial policy, it is, I think, in particular in this field that we shall find a workable solution to the major problem of unemployment. The gains of increased productivity cannot be shared out three times, once via wage rises, once via reductions in working time and once via improved social guarantees. We must choose our priorities, and the right choice will never be the easiest one.

*(Applause)*

**President.** — I call Mr Balfour.

**Mr Balfour.** — Mr President, it is true that there has been unsatisfactory progress towards economic convergence, and I fear that progress will continue to be slow, for governments will always be reluctant to work towards convergence when by doing so they may deem that they are working against their national interest. This is one of the reasons why I agreed with Mr von Bismarck, Sir David Nicolson and Mr Damseaux. The progress towards economic convergence is inextricably linked with that of monetary union.

I cannot agree therefore with the analysis of my own colleague, Mr Hopper, and I say this because money can have two meanings: money can be a unit of measure and it can be a store of value. A unit of measure, when it measures the relation between different goods and services, and a store of value when money itself becomes an investment medium. If it is a unit of measure, it can assist the flow of savings into productive capital investment, but if it is a store of value it will create itself an alternative investment instrument, and thus divert into foreign exchange deposits investment funds which could otherwise be lured into more productive investment.

Unless we achieve monetary union, we shall never destroy the store-of-value element in money. We have heard a lot today about inflation and about the interplay between money supply, incomes policy and deficit budgets. We have heard a lot about shorter working-hours, but I ask you: what are the two essential issues that really matter? They are surely unemployment and the creation of wealth. Unemployment is the real tragedy, and the creation of wealth is the only salvation.

I would like, now, to focus a little attention on the only real basis for future wealth creation. This is not to be found only in new capital investment, even if we could get it; it is not to be found in our control over inflation, even if we could achieve this; it is surely only to be found in a new partnership between capital on the one hand, and labour on the other. I am profoundly unhappy about the way capitalism works today. Call it what you will, it is based on a legal framework which

was thrashed out in the last century. It made capital supreme, and it gave labour the justifiable belief that it is automatically exploited by those who want their capital to grow. Accounting principles today treat the cost of labour in the same way as, for instance, raw materials. The profit-and-loss accounts of industrial enterprises deduct the costs of labour in the same way that they deduct the cost of a telephone call. This is wrong, and I hope that in any future analysis of the wider economic structures some attention may be given to this by the Commission.

Mr President, I am a firm believer in what is generally called financial participation by those who contribute their labour. I am not here to advocate any particular kind of profit-sharing arrangement. I am here merely to ask that the Commission study this question in depth.

*(Applause)*

**President.** — I call Mrs Roudy.

**Mrs Roudy.** — *(F)* Mr President, I had originally understood that this report we are being asked to give our opinion on was meant primarily to put forward proposals, as the report itself says, for 'the attainment of a high degree of convergence of economic policies', with the aim of allowing all Community citizens to reap the benefit of progress.

I must say that after reading Mr von Bismarck's report and listening to what was remarkably like a sermon I am utterly appalled. There is nothing in the proposals, nothing in the description given of the economic situation to give the slightest hope to those who are suffering from the crisis. I mean the six million out of work — according to the figures for 1978 — who will be seven million in 1980 and the millions of workers who scarcely earn enough to live on.

On the other hand, however, this text drawn up by Mr von Bismarck can but reassure those who profit from the crisis. This means in particular the international concerns and multinational companies. I would go so far as to say that it takes a certain cynicism to call, as we have heard, for restrictions initially on the growth of incomes in order to prevent a wages-led increase in the rate of inflation — in other words, making wage earners bear the brunt of the necessary sacrifices. It also takes a great deal of cynicism to call on the workers, as in paragraph 9 of the motion, to show a greater willingness to adapt themselves to technical and economic changes.

This means, as is quite logical for Mr von Bismarck and the Commission, that the third industrial revolution which is at present completely changing the whole pattern of production is contributing or will contribute nothing to the well-being of the majority of men and women. It is in fact totally subservient to creating profits for those who dominate the economy, those who

**Roudy**

lay down the law in the world of business. Some of them even have the audacity to air their satisfaction in certain professional journals, and we are well aware that times are good for certain people in industry, since profits are increasing. It is an ill wind that blows nobody any good! This crisis is hard and implacable for the mass of wage earners, for the ordinary people who are suffering from the insecurity and anxiety of unemployment, but on the other hand it is very good for those who wield the power in this world, who redeploy their activities — to use the current term — on an international scale and whose restructuring measures ride roughshod over not only the poorest and weakest in our industrialized countries but also the peoples of the Third World. Those who lay down the law in our capitalist societies — these Olympian deities of the modern world — have no hesitation in closing their factories in our countries because they have found a cheap labour force in the Third World which will enable them to increase their profits. That is the crux of the matter.

Inflation and unemployment, these two indicators of the crisis, are the result of neither chance nor fate: on the contrary, for the capitalist world economic order they are a necessity in order to protect profits. The so-called convergence policy is in fact a policy of divergence and increased inequality, and this policy is fostered by the present report. The scourges of unemployment and inflation are thus really of a structural nature.

For the Socialists, there are ways of resolving the crisis, but this means a completely different approach an overall programme to combat inequalities based precisely on the class struggle which the rapporteur called into question in his statement. The class struggle is the sole recourse against the implacable law of profit.

One of the salient points in the Socialist proposals is the reduction of working time with a policy of full employment. Of course, the reduction of working time is not the only means of tackling the problem of unemployment, but it can, in the medium and long term, soften certain effects of unemployment and represents a definite improvement in the workers' well-being and quality of life. In short, what is needed is to use the fantastic achievements of science and technology for the benefit of men and women and not for the sake of profit. This report turns its back on this objective and there are many of us who will reject it.

*(Applause)*

**President.** — I call Mr Caborn.

**Mr Caborn.** — Mr President, first of all let me be one on the left of this Chamber to congratulate Mr von Bismarck on his report, because I believe it puts the stark realities of capitalism quite clearly in the context. The way speakers this afternoon have lined up has quite amply demonstrated that. I think it has also been an

embarrassment to a number of the Christian Democrats who have loyalties to the trade unions, and this has been evident by their response this evening and by the facts they have stated in their descriptive speeches. I do not want to go into using that type of description, but I think the type of model that Mr von Bismarck has portrayed, the one of the freemarket economy, the one of monetarism, has in fact been one of the causes of the problems of inflation.

The example I give is that of energy. In the 1960's, and particularly in the country I come from, the UK, we were crying out for a planned indigenous-fuel policy, but because of the freemarket economy and because at that time it was cheaper to import oil into the UK, the free-enterprise argument was won. That put in jeopardy not only the UK's economy, but indeed many other Western economies as far as inflation was concerned.

It is this concept that once again we see evident in the Bismarck report, one that is now being carried out in one of the Member States, i.e., the United Kingdom. Monetarist policies are now being put forward, and in the present government of the UK have created something like 150 000 redundancies in about 8 months of power. Not only that, but it is also a short-sighted policy. Take, for example, the steel industry: it is quite clear now that there is a certain amount of growth in the steel industry, and because of the adherence to strict monetarist policies in the UK, we have slashed some 50 000 jobs. It is estimated — not by me, not by socialists — that the steel-making capacity of the United Kingdom in the middle 1980's will have been sliced so severely that it will not be able to sustain its own manufacturing industries. That will then start putting the economy into a position of having to import steel, and that might have a tremendous effect on the manufacturing base.

I would now like to turn to the first amendment from the Socialist Group on the question of multinationals. We have tried in this amendment at least to bring into the forefront the role of the multinationals within Western Europe. The development of the multinational corporations has so changed the nature of the centres of power within the economics of Western Europe that consumption is no longer a valid criterion on which to base economic policies. The control of money supply will not affect the inflationary behaviour of companies and groups of companies which dominate the markets through their ability to determine prices independent of market considerations. Governments can control the issue of money, but they have difficulty in controlling the velocity with which it circulates and therefore of controlling the actual supply. Transnational corporations are also able to undermine government economic policies which have been established to aid recovery of their economies, by speculating in currency and commodity markets, which causes and transmits inflation across national frontiers.

**Caborn**

The amendment put down is supported by the ETUC, which is arguing very forcibly that the control of multinationals now and the code controlling them should not be left to a body that does not have the control of law behind it. The ETUC and the ICFTU have indicated that it is so important now that discussions are due in the forthcoming year on the question of the control of multinationals and how to bring them, not only under the laws of the Common Market but also under the laws of the member countries. It is because of the relevance of this that we are supporting the ETUC's line, and I think the Christian-Democrats, particularly those who are involved with the trade unions, are finding some difficulty in giving their full support to the von Bismarck report.

*(Applause)*

**President.** — I call Mr Ortoli.

**Mr Ortoli, Vice-President of the Commission.** — *(F)* Mr President, I feel I must thank Parliament for the debate we have just heard and thank the rapporteur, Mr von Bismarck, for his contribution to this debate and the report he has drawn up, while assuring the whole committee of how much I have appreciated the cooperation that has grown up, under the chairmanship of Mr Delors, between us in the Commission and the members of Parliament's Committee on Economic and Monetary Affairs.

I would add that this cooperation has been referred to here with varying degrees of enthusiasm. I for my part am perfectly willing, as I have said, before, to consider in what ways we could further develop our work together to make it more comprehensive and achieve more satisfactory results. I still have a liking for this dialogue, which is an essential feature of relations between your Parliament and the Commission of which I am a member.

I should like to make one other point. The aim of a debate like this is for us to go into the economic situation and the prospects for the coming year — indeed, this is our job. We have also, however, tried in the past and on this occasion to give a completely different dimension to the work that is done here. You need only look at the report we have submitted to see that besides presenting what 1980 could bring and making economic policy recommendations we wanted to provide members of Parliament with information I think they will find useful regarding structural problems or medium-term developments. The documentation we have submitted to you contains an analysis of the problems and prospects on the energy front; with regard to employment, there is an analysis which goes far beyond the year 1980; on the question of industrial structures and competition in international markets, there are a number of points which, in my view, are of some importance for assessing the situation. What I mean to say is that it is not enough to simply read the

Commission's report and that if you go into the matter a little further you will find that recently we have broken out of the strictly short-term framework to give structural information and assessments of the medium-term trends. Of course, this does not prevent us from returning to the medium-term question later, for it is impossible to deal with everything in a report with a specific purpose. Our intention was to deal in specific terms with the problem of 1980, while placing it in a wider perspective. That said, I must add a word on the difficulty of this task. We have been told that Europe has its differences and, believe me, I am the first to appreciate that. The overall trend we have presented in fact covers various different situations. We are proposing an overall policy which will have to be adapted to the particular situations in our various Member States. If you read our report you will see that what we have written on each country is much more precise, much more specific than the general presentation we have given of our assessment. However, in a world which, as has been said, is so interdependent, in a Europe which is beginning to form a Community, there remain today a number of problems which are shared by all and a certain number of lines of action which are inevitably common to all. That is what we have tried to say. Then there are the strictly Community aspects for after all we also have the duty of presenting — in incomplete fashion, I admit — what the Commission proposes over and above a report on the actual economic situation.

1980 has been described by the rapporteur and by all those who have contributed to this debate as a difficult year. I am well aware of this. The Commission has made no secret of the fact. It has not tried to present a pessimistic report, but it would be absurd not to see the realities, for it is only by facing up to them that one can really lay down policies and begin to put up some resistance. An overall assessment of desirable developments is no basis for pursuing effective policies. As I said in the old Parliament, we had hoped that 1980 would see a continuation of 1979 trends.

Things are still far from perfect, but on certain points 1979 has seen a recovery by comparison with the situation we have had since 1973, and more particularly since 1976: the gross level of investment has increased by a little more each year for the past three years (+ 1.3 % in 1977, + 2.9 % in 1978, + 3.4 % in 1979); an increasingly buoyant, albeit moderate, level of consumer spending; a recovery in the growth rate, which we hoped to see around 3.5 %. I am not saying that is enough. I subscribe to the view that we will not solve our problems without a sufficiently sustained level of growth. But that is much better than what we were beginning to become accustomed to, i. e. figures well below 3 %. Lastly — although this has been disguised by the fact that at the same time we had a further increase in the working population — in the past few years we have seen an increase in the overall level of employment.

## Ortoli

Here again, it would be absurd to say that we could make do with stabilizing the level of unemployment. But if the level of employment has shown an upward trend in the Community — and in 1979 we shall have a gain of something like 0.7 % in this field — this is no mean achievement. We have seen the beginnings of a reversal in the trend, and this — with apologies to those who have been criticizing the Community's activities here — is what we have been trying to achieve. The policy we put forward last year was precisely that. It came down to saying that it was possible to find a path leading to growth and that if we did this together there was a chance this path would be less arduous. It is true that there have been some disturbances, but it is not true — to use a term I do not really like — that they have all been exogenous.

Obviously, certain problems are indigenous in each of the Member countries and in the Community itself. It is equally true, however, that at any given moment a blow coming from outside can result in snowballing effects in the economy. This goes in particular — whether we like it or not — for the relatively sharp rise in oil prices which, as we forecast, will weigh heavily on our oil import bill next year. There is also the fact that the recessionary trend in the United States — a recession which, it is true, has been slow in coming — may be stronger than we initially thought it would be. No-one need be surprised if, in 1980, we find ourselves in a situation characterized by a rate of economic growth lower than what we had envisaged at the beginning of 1979. Growth will be in the region of 2 %, whereas it was expected to be around 3 %. This is serious, since it means the unemployment figures will go up. We were at pains to stress this in our report, since it would be wrong to mask developments that are already taking place. This phenomenon will be accompanied — and this too is something we must not be afraid to say at Community level — by increasing divergence in the economic development of the various countries, particularly with regard to prices, where the upward trend is becoming more marked whereas we had expected 1980 to see a certain slackening in the pace of inflation. In certain countries, it is true, the opposite will happen, but at Community level I doubt we can do any better in 1980 than we shall have done in 1979.

We thus have a difficult road ahead, for if we are to avoid worsening inflation we have to fight the battle not only against the direct affects of inflation but also against those who anticipate inflationary trends. In other words we must combat the line being taken by various elements in industry and adapt ourselves as quickly as possible to the new difficulties. For it is quite obvious — no-one, surely, could imagine it otherwise — that what we are after is to set our course once again towards a recovery in employment and in economic activity; that is the policy we have attempted to set out in the report you have before you.

The economic policy guidelines we have drawn up seem to me to have better justification now, after two or three months, than when we were working on them. The question of the priorities to be applied was raised during the discussions in committee and has come up again here. There is the fight against inflation and there is the fight against unemployment — I shall be brief on this point, although the problem is of prime importance. I subscribe to the view that, for reasons which are not in fact purely theoretical but have to do also with international competition and the reactions of the different elements in industry, it is impossible to bypass the fight against inflation. If, as the result of an excessive rise in prices, we were at any time to find ourselves in a competitive situation which made it difficult to maintain our position in external markets — which are essential for us because we are massive importers, particularly of raw materials and energy — we would be committing a political mistake of criminal proportions. The fight against inflation is consequently one way of helping to consolidate the economic situation so as to return to a pattern of growth and thereby achieve better results with regard to employment.

I should like to add two remarks. Firstly, while it is highly necessary to take vigorous measures against inflation, it would be harmful and unreasonable to adopt a recessionary mentality and as it were to wish recession or deflation upon ourselves in the belief that this represented some kind of magic remedy for the situation we see developing. I say mentality because one can have a sort of intellectual reflex which leads one to say that, basically, that is the way to solve all problems. I think we can do without this reflex and that it would be dangerous.

Secondly, the fight against inflation obviously does not constitute the whole of our policy. Here too, it would be absurd to imagine that it is via the fight against inflation that we can solve all our problems at a time when we have to cope with considerable changes which call for other forms of action, several of which have been mentioned in this debate.

In talking of these, we must bear a number of things in mind. First of all, there are the national problems and differences — and let me add here that national action, the way in which a whole people faces up to these problems, is a factor of capital importance for us all. I believe, however, that the Community has a place, since a collective response has a greater chance of succeeding than isolated measures. The concerted campaign we have undertaken in 1979 is evidence of this in that what is known, in unlovely jargon, as the 'multiplying effect' has come about and thanks to the coherence of the action we have taken in a Community which needs coherence because its multiplicity of trade relations make it interdependent, we have obtained just a little more growth, in other words just a little less unemployment.

**Ortoli**

This coherence is not only a way of balancing out macro-economic policies one against the other, making a little more of an effort at one point because that will provide a triggering effect in some other field; it also means, in financial terms, having to consider the joint resources we can mobilize to contribute to a more satisfactory development of the economy. This is true of a whole series of measures concerning investment; as you know, this is a policy which I for my part pursue with considerable determination. But it also applies to the aid we must be prepared to give to certain member countries if they are faced with particular economic difficulties — if, for example we were to see in certain countries, on foreseeable trends, balance of payment difficulties arising which were in a sense misleading, being due not to errors of economic management but to a current change in the international economic situation. That is also why the development of structural measures is of capital importance.

Secondly, energy policy. We have been accused of not having given much attention to it in this document. I would remind you, if I may, that a document on short-term economic policy had no room for this but that we will not succeed without a much more vigorous and more Community-based energy policy. This is obvious, and it is bound to smack of platitudes if we point this out without backing it up with an analysis for which this was not the place. This does not, however, mean that we are not giving this priority, both from the financial point of view and in terms of the physical constraint imposed by the time available for carrying out the operation, nor that it is possible to dispense with Community action, or that this Parliament should not debate this problem in order to see what common ground and what common objectives there really are.

Thirdly, I should like to stress — as is fairly clear from our report — that any restrictive policy must not go beyond what is necessary. But we have proposed two things to which I would like once again to draw your attention. The first thing is that during 1980 the Community's monetary policy must be moderately restrictive, with a budgetary policy that is on balance neutral. In this field, we have not proposed any radical change in policies. Secondly, we have suggested that, if this operation that we must undertake together were to have some measure of success, particularly in the fight against inflation, while the risks we have described with regard to growth turned out to be more serious than expected, it would perhaps be necessary to look for additional means of stimulating economic activity, provided we had had the courage to deal more effectively with inflation. We have not proposed an alternative policy to be implemented at a particular date, but we considered it was our responsibility to incorporate a possible development into our reasoning and to assess under what conditions this situation could actually arise.

Once again, just a simple point to explain our reasoning. I think that one of the conclusions we can draw from the crisis we have been going through since 1973 concerns the need to make use of the various available instruments of economic policy if we are to face up to the current difficulties, the need for action affecting both supply and demand. On this point, I agree with those who have emphasized here that energy policies, and structural policies too, form part of an overall policy and that short-term economic policy cannot be judged solely by its macro-economic features; it also depends on a whole range of measures which reflect its purpose and its effectiveness.

This must, of course, be supplemented by improved coordination of economic policies and further development of the Community's financial instruments. When we have a situation like this year's, there is a sort of instantaneous transfer of resources. We must recognize this and draw the necessary conclusions. That is not to say that we should disregard any of the objectives we in fact need to pursue, particularly with regard to social justice. We must not only fight inflation but also understand that we need to develop a system under which we can be much more vigorously competitive, because — and I would ask you to read what we have written about industrial structures and trends in international trade — we shall be meeting much more extensive and vigorous competition and must be in a position to face up to it. Lastly, we shall have to further develop our structural policies, and I am thinking here in particular of an active employment policy.

I should have liked to reply at slightly greater length to Mr Vetter on the problem of adjustments to working hours. I do not think there is any contradiction between what we have said here and what we have proposed elsewhere. I think we must tackle this on a global basis so as to obtain the broadest possible consensus.

A word about the monetary system, which must make its contribution. My natural distrust of over-theoretical definitions leads me to say that what we basically expect from the monetary system is that it should provide additional security for the activities of everyone in the world of business, that it should induce us to take more vigorous action to bring our economies closer together with regard both to objectives and to results, and that it should enable us to make our voice heard more strongly in an extremely unsettled world monetary climate in which we shall be heard all the better for being — if I may say so — tougher ourselves. We do have difficulties. I should not like the Commission's report to be misinterpreted. Taking note of difficulties does not mean that one either likes them or accepts them; it simply means, as I said just now, that at both national and Community levels we must look for ways of overcoming them on a lasting basis.

*(Applause)*

**President.** — The debate is closed. The vote will be taken tomorrow, during voting-time, with the amendments that have been moved.

### 11. Agenda

**President.** — At its meeting this afternoon, the enlarged Bureau proposed that Parliament include in the agenda for tomorrow, Friday 14 December 1979, the report by Mr Maher on a decision authorizing the United Kingdom to grant national aid to milk producers in Northern Ireland (Doc. 1-565/79).

If there are no objections, that is agreed.

### 12. Membership of committees

**President.** — I have received from the Group of the European People's party (CD Group) a request that Mr d'Ormesson be appointed a member of the Committee on Agriculture to replace Mr Debatisse.

Are there any objections?

This appointment is ratified.

### 13. Intervention by Parliament before the Court of Justice

**President.** — The next item is the report (Doc. 1-478/79) by Mr Ferri, on behalf of the Legal Affairs Committee, on intervention by the European Parliament in Cases 138/79 and 139/79 before the Court of Justice of the European Communities.

I call Mr Ferri.

**Mr Ferri, rapporteur.** — (1) Mr President, ladies and gentlemen, the problem put before you is both simple and important. On 25 June 1979 the Council adopted a regulation on isoglucose, a regulation which, in accordance with Article 43 (2) of the EEC Treaty, required a compulsory opinion from Parliament. This opinion was not given because Parliament, after being consulted, examined a report by the Committee on Agriculture which was rejected in plenary session in May 1979.

As I said, the Council adopted the regulation in any case on 25 June, although it acknowledged that the opinion had not been given but only requested from Parliament, and maintained that the urgency of the problem and the fact that Parliament had not expressed its view justified adopting the regulation without waiting for Parliament's opinion. The Council itself added that Parliament's right to express its view subsequently was not thereby prejudiced.

The Legal Affairs Committee, entrusted by the Bureau of Parliament with the task of examining the problem, decided by an overwhelming majority that there had been a violation of the Treaties — in other words that the regulation had been adopted with a substantial formal defect due to the lack of the compulsory opinion from Parliament. It is hardly necessary to remind you that the term 'consultation' can only be understood as the whole procedure which, according to the consistent practice and consistent view of this Parliament, can only end with the adoption of a resolution. When a motion for a resolution is rejected, the consultation procedure is not regarded as finished, but the contrary vote is considered to be an incidental mishap and Parliament is required to vote once more on a new motion by the appropriate parliamentary committee.

I have said that all this is essentially acknowledged by the Council itself in the preamble to the regulation. The Council justifies its action by the urgent need to reach a decision, and by leaving open to Parliament the option of giving its view subsequently. This second hypothesis is clearly at variance with the Treaties because, once the regulation has been adopted, it is impossible for an opinion from Parliament to be included subsequently, since in legislative procedure it is a logically preceding act.

The committee was therefore faced with the problem of deciding whether there were any legal remedies for this violation of the Treaties.

Under Article 173 of the Treaty, Parliament cannot directly have recourse to the Court of Justice. On the other hand, Parliament may bring an action under Article 175 when another institution has failed to take action required by the Treaty. It is hardly necessary to point out that in this case there was not a failure to act but an action which we regard as violating the Treaties, because an essential fact, a substantial part of the procedure was lacking — the opinion of Parliament.

Under Article 37 of the Statute of the Court of Justice, Parliament, like the other institutions of the Community, can intervene in cases before the Court. Since two actions have been brought before the Court, and since these actions expressly cited the defect constituting violation of Article 43 of the Treaty — that is the lack of the opinion from Parliament — your Committee, ladies and gentlemen, decided by an overwhelming majority that it was right and proper for Parliament to intervene in these cases, to defend the powers granted to it by the Treaties, which are the only powers of Parliament in the field of Community legislative procedure, namely the right to express its opinion on proposals submitted to it by the Commission and Council.

The Legal Affairs Committee also considered a political problem, namely whether it was desirable to intervene in cases brought by private persons. We decided in

**Ferri**

favour by a large majority. It is not a question of intervening on the substance of the question. We are not interested in the subject-matter, which is in any case of little importance. It is a question only of intervening on a matter of legality, of safeguarding the powers of Parliament and of denouncing a violation of the Treaties. Moreover, even if Parliament did not intervene, the Court would have to judge, and it seemed inconceivable to us that the Court should pass judgment on an alleged violation of the powers of Parliament in the presence of the other institutions involved — the Commission and Council — but in the absence of the institution most directly concerned, namely Parliament.

One member suggested in committee that we should confine ourselves to a political protest to the Council. But it was thought that such a protest would have been essentially futile, and that a political protest while the matter was *sub judice* would, all things considered, have been rather improper, or at least questionable, whereas intervention in a legal action would be entirely legitimate since it is in accord with the Treaties.

That is why the Legal Affairs Committee, which I have the honour to chair and which has appointed me rapporteur on this subject, proposes that you decide on Parliament's intervention in the cases to defend its specific and essential power to express its opinion in the legislative procedure. It is clear that there is no question of waging war on the Council, as some might think on a day such as this. Nor is it a question of Parliament trying to increase its powers. It is a question merely of safeguarding these powers as they are defined in the Treaties in relation to the institution which has the power of decision in this complex Community system of ours — which we wish to defend — in which the institutions are on an equal footing, based on mutual respect and safeguarding of their own powers and of their own sphere of action.

For these reasons, Mr President, ladies and gentlemen, I ask on behalf of the Legal Affairs Committee that Parliament accept this motion for a resolution.

(Applause)

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — (DK) Mr President, I shall be very brief. I do not know whether I can make do with two minutes, but four should be enough.

I can understand Parliament's reaction to the fact that the Council has adopted a regulation on isoglucose, certainly after consulting Parliament, but before Parliament had delivered its final opinion. There is no doubt that the consultation of Parliament laid down in Article 43 of the Treaty, is a major procedural requirement, and since what is involved here is a piece

of legislation which has been adopted in conflict with this provision, it is invalid and must be revoked. There is no doubt that the Council recognizes this principle. However, the question is whether the Council has in this case, involving a transition from one Parliament to another, in fact acted in conflict with this provision. As far as the Commission is concerned, it has its doubts, and has not opposed the Council's adoption of this regulation. It has, however, drawn the attention of the Council to the consequences which could arise by virtue of the abovementioned Article.

Mr Ferri himself pointed out in his report on behalf of the Legal Affairs Committee that the European Parliament cannot block the legislative procedure and prevent the Council from adopting Commission proposals simply by omitting to deliver its opinion. Certainly, in this case there was no question of the old European Parliament explicitly refusing to deliver an opinion on the proposal for a regulation on isoglucose, but in the Commission's view, various circumstances provided grounds for believing that, in a pressing situation of this kind, the Council could disregard the fact that no opinion had been delivered but make use of the safety clause to which the rapporteur has referred.

Firstly, it was essential that measures should be laid down for this sector as soon as possible and by 1 July 1979 at the latest. The Commission had stressed this point firstly in the communication accompanying the proposal, secondly in its supplementary communication of 11 April 1977 to the President of the European Parliament and the Chairman of the Committee on Agriculture, and finally in the Commission's list of priority and urgent matters. The two main reasons for the urgent nature of these measures are stated clearly in the preamble to the Council regulation. A judgment by the Court of Justice was necessary to fill a vacuum before 1 July since the sugar industry was in jeopardy. We should not forget that if the Council had not taken a decision, it would have had to face litigation from the other side, i.e. the sugar industry. However, it can be argued that it in fact did the wrong thing.

Parliament had enough time to deal with this matter thoroughly. It was submitted to Parliament in the normal way, and, for the rest, the Committee on Agriculture delivered a positive opinion, which, as the rapporteur reminded us, was rejected by the vote of 11 May and this was the reason for the absence of a Parliament opinion.

In the light of these facts I do not think that it was the Council's intention to disregard the prerogatives which Parliament enjoys by virtue of the Treaties. In addition, the Council also invited the Commission to take the matter up again after Parliament had delivered its opinion.

As the rapporteur reminded us, two private isoglucose undertakings have brought action before the Court on

## Gundelach

this question. The report deals with the question of the extent to which Parliament should intervene. As we have seen here today, questions of the competency of the various Community institutions can arise. Some of these are of a high-powered political nature while others, such as the one before us now, are more technical and legal in nature. It does not strike me as in any way unreasonable or unusual for Parliament to intervene in this matter in order to put forward its formal viewpoint since the very purpose of the Court of Justice is to decide on questions of this kind.

I have put forward the views of the Commission. I will merely add that if the Regulation on isoglucose is declared invalid, this could have considerable financial consequences for the Community. These consequences will be neither desirable nor in our interests and even if we recognize the principle of consultation of Parliament, we cannot disregard the considerable difficulties to which an equitable solution must be found in the current exceptional situation, i.e. the transitional period between two Parliaments.

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

**Mr Sieglerschmidt.** — (D) Mr President, ladies and gentlemen, a number of Members from certain Member States may find the procedure being recommended here by Parliament's Legal Affairs Committee unusual because their own constitutional system differs from the legal system we are dealing with here under the Treaties. Many countries, or at least certain Community countries, do not have a Constitutional Court as does, for example, the Federal Republic of Germany, i.e. a Court which can declare laws nul and void. This would be unthinkable in other countries where we still find traces of the decision of the Council of Constance to burn someone for heresy because he said — I am thinking of Johannes Huss — that Councils too could err. In those countries this will be regarded as unusual. The legal system of the Treaty does, however — albeit, unfortunately, only to be a very limited extent — provide for what is properly termed a conflict, or a legal action between the institutions. I say 'unfortunately' because, as the rapporteur so rightly said, while it is possible for Parliament to start proceedings directly in the event of the Council's failure to act, if the Council acts incorrectly or illegally Parliament has to take the present course — which I do not find exactly elegant either — of intervention in proceedings brought by private plaintiffs.

I should therefore like to take the opportunity of making it quite clear once again that in intervening in these proceedings Parliament is in no way expressing its approval of the plaintiffs' economic aims. I am particularly anxious to make this clear because I think I know what my friend Mr Vernimmen is going to say later.

What we are concerned with here is not the interests of the sugar industry or of anyone else but that, in a case in which the point of law we have had explained to us here must at all events be examined by the Court, Parliament cannot sit on the sidelines and watch a decision being taken without giving its own opinion on a point of law which concerns it directly. This really is a matter, to use a Latin phrase, of *tua res agitur* — this is your case. This being so, we ought to take this step. As both the rapporteur and Mr Gundelach have already rightly said, it is a common mistake to think that intervening a court case in a sense means going on the warpath. On the contrary, clarifying a legal point here could avert further conflicts in the future, and this is worth doing.

We have a saying in Germany — to be taken ironically, of course — about the three principles of bureaucracy. First principle: that is the way we have always done it; second principle: we have never done that before, and third principle: then everyone might start. I should like to apply these three principles to this case. If the Council says it has done the same thing in previous cases and not allowed Parliament to state its opinion directly — as we know, there have been cases — that is no reason for perpetuating this mistake. The phrase 'then everyone might start', in other words the fear of creating a precedent, should not prevent us from making a new beginning where it is necessary for once to create a precedent. If one is always afraid of creating precedents, there can be no progress in developing the law.

Finally, the fact that we have never done that before. Indeed, this would be the first time Parliament has intervened in a case of this kind. 'We have never done that before' also applies, however, to a decision we were fortunately able to take this afternoon. Parliament should act here without animosity, calmly, objectively and confidently, and intervene in this case.

(Applause)

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

**Mr Janssen van Raay.** — (NL) Mr President, I should like to state at the outset that the European People's Party supports Mr Ferri's motion for a resolution. The importance the Legal Affairs Committee attaches to this matter is apparent from the fact that we designated our chairman, Mr Ferri, as rapporteur. This question concerns an infringement of Parliament's rights. Today, we are making European constitutional history: we have rejected the budget, as is Parliament's right, and the present case involves legal proceedings to protest against an infringement of Parliament's rights.

This failure to consult Parliament is no isolated case. I have here before me a motion for a resolution by Mr Collins and many others including Mr Rogers,

Janssen van Ray

protesting against the lack of consultation on the question of nuclear waste. The Council knows how seriously the Legal Affairs Committee regards such behaviour, but there was a previous occasion when it failed to consult Parliament, which led to this motion which you yourself also signed, Mr President, in protest at the lack of consultation.

In the present case, therefore, we attach the utmost importance to not simply protesting but also taking legal steps. A protest would not be adequate. This leads us to the proceedings in progress before the Court of Justice in Luxembourg, which we support. Frankly, I must say that I did not quite understand why on this essential question Mr Gundelach felt obliged, as a Member of the Commission, to defend the Council's unacceptable attitude. He could equally well have sided with the Commission's natural ally, i.e. Parliament, and pointed out that this failure to consult will not do.

I quite agree with Mr Sieglerschmidt and with those who subscribed to the minority opinion that the method is not very attractive. We shall, however, vote for the motion in view of the great importance of this matter. All the same, it is curious that we should have to follow a course which conflicts with the dignity of Parliament and with the authority of the institution.

I do not want to go into a long legal argument, but I have tried to find out why, while Parliament is covered by Article 175 with regard to proceedings for failure to act and — which is what we are now proposing to do — a basis can be found under Article 37 of the Protocol on the Statute of the Court, no mention is made of this in Article 173. My colleagues on the Legal Affairs Committee will recall that I tried in committee to argue that it may still be possible to take action under Article 173 or Article 175. However, I allowed myself to be persuaded by those who said that there was at least a question mark against the admissibility of proceedings under Article 173 and we as Parliament could clearly not run the risk of having our intervention declared inadmissible by the Court of Justice. I therefore finally accepted Mr Ferri's proposal to take the safe course of intervention under Article 37 of the statute of the Court.

I would appreciate it if the Secretary-General, whom it is proposed to designate to defend our interests, would try to obtain an *obiter dictum* on this. That can easily be done. We can say in a preamble that we regret this form of proceedings but doubt whether we would have had the right to make a submission under Article 173 or Article 175. The arguments behind this can be gone into more closely in addressing the Court. The Court could then rule as to whether we would in fact have had the right. It is, after all, odd for this Parliament to have to intervene in a case brought by private companies in order to prevent infringements of its own rights. I would therefore stress the need for this *obiter dictum*.

In the other case I mentioned, that of nuclear waste, the situation could arise that if the Council ignores Parliament's request Parliament will not even be in a position to bring proceedings for non-consultation before the Court of Justice in Luxembourg.

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

**Mrs Macciocchi.** — (I) Mr President, I want to raise a point which I have tried to settle amicably in various conversations I have had with you. However, in view of the failure of my moves, I should like to point out to you that, under the Rules of Procedure, you cannot allow the sitting to continue while such an important committee meeting as that of the committee on women's rights is in progress. It is this committee's first meeting, with the election of the chairman, and I fail to understand why, whereas you accept the impossibility of combining Parliament's sittings and the work of the existing committees, you have decided to continue in this case. I would therefore ask you whether you consider the committee on women's rights less important than other committees. How else can you justify your decision to continue the sitting despite the fact that some of us — like myself and Mr Ferri — have to go to the meeting of this committee.

**President.** — The President did put this to the House this morning, and there was no objection at all to a meeting of the *ad hoc* committee on women's rights being called, although people then knew it was going to be during the sitting. You came and asked me if you could be advanced in the speaking order. Your group has 13 minutes left, and in this debate alone you have four speakers down. It so happens that your name was entered at the bottom of the list. But your name was entered by Mr Pannella as a protest, when I was in the Chair on Tuesday, at not getting his own way on a particular issue. He put you, Mrs Bonino and himself down for every debate. For the last debate the three names were down: neither of you wished to speak, and indeed two were not in the Chamber when you were called. For that reason I have no intention of altering the list. If people frivolously put their names down as speakers it is impossible to order the business. I do not intend to vary the speakers' list.

I am sorry, Madam, I would like to cooperate very much, but the time to protest would have been this morning. I now want to proceed with the business so that we can transact it expeditiously, and I do hope that you will accept with respect my interpretation.

(Applause)

I call Mr Prout to speak on behalf of the European Democratic group.

**Mr Prout.** — Mr President, I was rather surprised to hear Mr Gundelach refer to this as merely a technical matter, because it seems to me to be a matter of major constitutional importance. The distinguished report by

## Prout

my honourable colleague Mr Ferri poses three questions: two of them are strictly legal and in the last resort, in our constitutional system, a matter for the European Court.

First of all, did the Council of Ministers fail to consult the Parliament on the draft isoglucose regulation in accordance with Article 43 of the Treaty? Secondly, if they did so, is the regulation itself void by virtue of Article 173 of the Treaty, on the grounds that the Council has infringed an essential procedural requirement of the Treaty of Rome? The third question, and the most important question for this House, is a matter of political judgment, and it is this: should we, as a Parliament, defend our institutional rights by joining in a private action already on foot in the European Court, which is, among other things, considering the same point?

It is impossible, of course, to predict with certainty the outcome of litigation, especially constitutional litigation. Suffice it to say that the Legal Affairs Committee of this Parliament, with the full support of this group, have reached the firm conclusion that Parliament was not consulted, and that the failure to consult it amounts to an infringement of the Treaty.

As to whether we should defend our institutional rights in the way proposed, I would simply say this: ideally, the Commission should have taken the Council to court, under Article 173, in pursuit of its own duty, under Article 155 of the Treaty, to see that the provisions of the Treaty are respected and enforced. I have no idea why they have not chosen to do so. Perhaps it is because they themselves are to some extent implicated in the delay that occurred between October, when the old regulation was declared void by the court, and March 1979, when the new proposal was tabled.

Two private companies now have an action which raises the same question. The issue of consultation will be dealt with whether we like it or not by the European Court. It is highly desirable, therefore, that we put our own case in this matter. If we do not, we shall let our own rights go by default. The Council, of course, is not politically accountable to this Parliament. It is, however, subject to, and constrained by, the Treaty. It is a creature of Community law and, as such, must confine itself within Community law. We do not question its power to legislate, for that is its right and indeed its duty, but we do question its right to legislate in any way that it wishes. In my own country, not even the House of Commons can create a legally binding act without first consulting the House of Lords. The Council must respect the rule of law. If it does not, it must expect to be disciplined by the Court in this matter, as it has been on many other occasions when it has exceeded its powers under the Treaty in the past.

We do not, Mr Gundelach, claim a right of veto. That is not the point of Mr Ferri's report. Far from it. We have

no right to that, but we do have the right to insist that the Council considers our opinions and gives us a reasonable time to prepare them. If it had little time — in this case, if you had little time, to meet your July deadline — you could easily have invoked Article 139 of the Treaty, which states in its second paragraph:

The Assembly may meet in extraordinary session at the request of a majority of its Members or at the request of the Council or of the Commission.

How easy it would have been for you, Mr Commissioner, or for the Council, to invoke this article in the Treaty, and to have convened us in order that the consultation procedure should have been respected under the Treaty!

(Applause)

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

**Mr Delorozoy.** — (F) Mr President, ladies and gentlemen, following what other speakers have said, I should like to emphasize that this is not a debate on isoglucose but on the observance of rules which must be adhered to by all.

The Liberal and Democratic Group approves the Legal Affairs Committee's motion for a resolution. In our view, Mr Ferri's excellent report shows that the Council acted, if not illegally, at the very least with a certain lack of consideration in this matter.

Yesterday, in the course of the debate on the Dublin European Council and the Irish Presidency, the President-in-Office of the Council rightly called on Parliament and the Council to show respect for their mutual rights and responsibilities. This respect was clearly lacking when the Council adopted Regulation 1293 just before the start of the Irish Presidency.

I should like briefly to underline the fact that, if it adopts the motion for a resolution contained in the report before us, Parliament is not claiming any new prerogatives but simply demanding the implementation of and respect for the rights conferred on it by the Treaty.

More than 12 years ago a resolution was adopted following a report by Mr Jozeau-Marigné on behalf of Parliament's Legal Affairs Committee. Under the terms of this resolution, texts on which Parliament has not been duly consulted can be declared nul and void by the Court of Justice.

This declaration was based on Article 173 of the Treaty, which stipulates that, if Parliament is consulted on the preparation of legal acts, the Council must examine Parliament's opinion before taking a decision. This is only logical, and in trying to maintain — or rather to claim — that the consultation procedure has been

## Delorozoy

completed once the Council has asked for Parliament's opinion, while acting before this opinion has been delivered, the Council is rendering the concept of consultation quite meaningless.

The Council seems, in fact, to have realized this, since in the regulation on isoglucose which entered into force on 1 July it resorts to the argument of the public interest. I would suggest that if this technical question is of such importance a number of questions need to be answered. How is it that the Council waited from 25 October 1978 to 19 March 1979 before consulting Parliament? It is wrong to invoke the urgency of the matter *a posteriori*. It is difficult to avoid the conclusion that the Council regarded the consultation procedure as an irksome formality which could be neglected while Parliament was preoccupied with the imminence of the first European elections. This is a reprehensible attitude towards Parliament, for the letter and the spirit of the Treaty, which lays down strict limits to our respective powers, must be respected.

If the Council is looking for sincere cooperation from Parliament, which we for our part fervently hope for — and our Group has demonstrated this in the past 48 hours — with respect for the Council's prerogatives, it must give equal consideration to the much more limited rights conferred on Parliament.

Mr President, that is the question of principle behind this motion for a resolution, and for this reason we believe that the Members of this House must give it a broad measure of support, in the interests of justice and legality.

(Applause)

**President.** — I note that Mr Pannella is not present.

I note that Mrs Hammerich is not present.

I note that Mrs Bonino is not present.

I shall now call Mrs Macciocchi because I can alter the order of speakers so long as I keep the groups in order.

I call Mrs Macciocchi.

**Mrs Macciocchi.** — (I) Mr President, I think the report presented by Mr Ferri for the Legal Affairs Committee raises an important question, not so much with regard to isoglucose as because it reveals the tip of an iceberg which is the Community legislative procedure. The problem here is that of the consultation required by Article 43 of the EEC Treaty.

Well, it is important that Parliament should provide the legal means to safeguard its own powers, rather than constantly having recourse to lamentations and to the formulae of the current liturgy, such as 'Parliament deploras . . . .', 'Parliament condemns . . . .', 'Parliament regrets . . . .', and so on.

The report has shown us that we can use the instruments supplied to us by the Treaty to defend our institutional rights, to defend the powers of this Parliament, which as you know are frequently disregarded, and trampled underfoot, by the oligarchies which hold the keys to legislative power and appear omnipotent as they operate from their position of strength in relation to the other institutions.

I agree with Mr Ferri that it is not so much a question of increasing the powers of Parliament as of making use of the powers which the existing texts already confer on our institution.

The Court has the function of interpreting the Treaties and the rules deriving from them. Thus Parliament's action in the case does not in itself have an objective, rational and lucid strength, a strength which is really imbued with the 'spirit of the laws' — a spirit which in the confusion of Europe today might represent the fulcrum, ensuring that the role of this Parliament is not deprived of significance but strengthened with instruments for political control. I stress the term 'political' because the decision to intervene in the case can only derive from a political assessment. In this context, I would like to say to the Commissioner that among the more dubious arguments used here to criticize this report, there is the argument that even in the absence of an opinion from Parliament the Council had to decide because the matter was urgent.

Now, the term 'urgency' is not only vague, but also gives us little grounds for confidence with regard to possible question of much greater importance which may face us in future.

We therefore maintain that, quite apart from isoglucose, it is necessary to tackle the question of Parliament's right not to have its freedom and powers violated at any time.

**President.** — I call Mr Vernimmen.

**Mr Vernimmen.** — (NL) Mr President, I am no legal expert and I may well be the only non-lawyer to speak in this debate. Consequently, I am in a way venturing onto thin ice. Indeed, I do not wish to dispute the well-founded nature of the Legal Affairs Committee's position. It is just that, after listening carefully to the speeches of all these lawyers, I wonder whether this intervention is advisable. I do not think, Mr Janssen van Raay, that I am thereby detracting from the dignity of Parliament. The fact is that this case involves a number of isoglucose manufacturers who are clearly not concerned to defend the rights of Parliament but simply to have the regulation declared void. It is true that the Council has acted somewhat hastily, but on the other hand this regulation was needed urgently to avert problems in the sugar industry. If the dispute that has been going on for years between the sugar manufacturers and the isoglucose producers — the

## Vernimmen

result of which in the very near future will be the threat of several hundred or thousand redundancies in the industry — is unimportant, then the lawyers are indeed right. If this regulation is found to be invalid, then the quota is also at risk. If you could show that it will not create a vacuum, I could give this intervention my approval. But, with Mr Gundelach asking farmers to reduce their sugar production by some 10 %, this brings the whole quota system into disarray. Even after listening carefully to the lawyers' arguments — and I shall continue to do so — I thus maintain my position that in my view this intervention is not at present advisable.

**President.** — Mrs Hammerich is not present.

I strike her off the list of speakers.

Mrs Bonino is not present. I strike her off the list of speakers.

I think it is deplorable that Members should put their names down when they have no intention at all of speaking. I hope that the President will bring this matter up tomorrow morning. The complete ordering of the debate tonight has been spoiled, and I find this most irresponsible when people do not intend to speak.

I call Mr Ferri.

**Mr Ferri, rapporteur.** — (I) Mr President, I would just like to speak very briefly in reply to the views expressed by Mr Gundelach and the reservations made by Mr Vernimmen. I cannot understand what serious consequences could possibly result from a judgment by the Court annulling this regulation; since from 25 October 1978, the date of the Court's first judgment, to 25 June 1979, the date this regulation was adopted by the Council, nothing disastrous happened, as far as I know. The Council and the Commission, as the spokesman for the Liberal Group has stated, waited from 25 October 1978 — the date of the Court's decision — until March 1979 before consulting Parliament on this matter. It is obvious that there were no serious consequences to be feared, there was no pressing need for a decision, and the situation remains the same today.

Furthermore, it is worth pointing out once more that it is not we who are calling for a decision. The Court must decide, in any case, and it would be absurd were Parliament to be absent when the matter at issue is its own powers, or rather, whether its right to be consulted can be violated or not. Someone could quite rightly say *'de re tua agitur'* to Parliament, and in such a situation, ladies and gentlemen, are you going to neglect to make your voice heard in defence of your sole right as regards Community legislation? I think this argument must prevail over all other considerations.

**President.** — I call Mr Gundelach.

**Mr Gundelach, Vice-President of the Commission.** — Mr President, I had not intended to enter into the debate again, but since the rapporteur has addressed questions to me directly I must briefly answer.

There is a question of urgency, and if a decision had not been taken on 1 July, then the isoglucose industry, which is living under the protection of the sugar regime, would have used that protection to benefit, to the detriment of the sugar industry. Had a decision not been taken, the matter would certainly have been brought to the Court from the other side — from the sugar industry. Nobody could have foreseen the outcome, just as nobody can foresee how the present court case by the isoglucose industry is going to come out.

There was urgency, and Parliament dealt with it. They had time enough to do so. It was a complicated proposal, and it would take a little while after the decision of the Court, but there was time enough to have it properly debated in the Committee on Agriculture, which made a motivated recommendation to the old Parliament at its last part-session. A negative vote occurred. I happened to be there. Those who voted against did not make any amendments, and the matter just petered out. There were no further meetings of the old Parliament. If there had been, I think the matter would have been resolved. So I think there is a special situation. On the other hand, as I said in my statement, which has been referred to correctly by other speakers in the debate, there is absolutely nothing abnormal in the matter of a difference of view in regard to principles, although they must be tempered by reality and tested by the European Court. As I ended up saying, that is what it is there for. I therefore do not quite see that there is any major difference between the rapporteur's recommendation and what I am saying. I have just drawn attention to certain substantive facts, which I do not think one can totally forget.

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

The vote will be taken tomorrow during voting-time.

We shall now suspend our proceedings and resume at 9.00 p.m.

The sitting is suspended.

(The sitting was suspended at 8 p.m. and resumed at 9 p.m.)

IN THE CHAIR: MR ZAGARI

*Vice-President*

14. *Tokyo Round — Regulations on Community Imports*

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

- The motion for a resolution by Sir Fred Catherwood, on behalf of the Committee on External Economic Relations, on the conclusion by the European Communities of the GATT multilateral trade negotiations (Tokyo Round) (Doc. 1-561/79);
- the report by Mr Schmitt, (Doc. 1-545/79), on behalf of the Committee on External Economic Relations, on the proposal from the Commission to the Council for a regulation opening a Community tariff quota for frozen buffalo meat under subheading 02.01 A II b) 4 bb) 33 of the Common Customs Tariff;
- the report by Mrs Caretoni Romagnoli (Doc. 1-546/79), on behalf of the Committee on External Economic Relations, on the proposals from the Commission to the Council for:
  - I. a regulation amending Regulation (EEC) Nos 1508/76, 1514/76 and 1521/76, on imports of olive oil originating in Tunisia, Algeria and Morocco (1979—80); and
  - II. a regulation amending Article 9 of Regulation (EEC) No 1180/77, on imports into the Community of certain agricultural products originating in Turkey (1979—80);
- the report by Mr Giummarra (Doc. 1-548/79), on behalf of the Committee on External Economic Relations, on
  - the proposal from the Commission to the Council for a regulation setting up a Community system of reliefs from customs duty.

I call sir Fred Catherwood.

**Sir Fred Catherwood.** — Mr President, on this day of some conflict between the institutions of the Community I would like to start by thanking on Parliament's behalf Vice-President Haferkamp and all the officials of the Commission for the dedicated work they have just completed in the Tokyo Round, which involved very heavy negotiations, and on their success in keeping world trade open through this very serious recession. It cannot have been easy, and it must have required every single bit of their negotiating skill. Thank you very much, Mr Vice-President.

This motion before the House welcomes the conclusion of these extensive and vital negotiations and commends them to this Parliament. However, the Committee on External Economic Relations has a number of other points which we wish to make arising from these negotiations. First, the reduction of tariffs by small annual fractions of a per cent is being completely swamped by the instability of exchange rates. We are not suggesting that there is an easy answer to this instability of exchange rates, but we do maintain that

this enormous effort to increase world trade will get nowhere unless we can reduce inflation, as well as the unemployment and the urge towards protection which follow inflation as its dark shadows. So we feel that this debate goes well with the von Bismarck debate which has just been completed.

Secondly, looking at the details and the consequences of this agreement, it is clear to us that we can no longer talk simply of the Third World. That may be a description of political attitudes between East and West, but you cannot describe in this one phrase 'the Third World', the enormous range of economic capacity and potential. The committee reflected the strong feeling of this Parliament for all those areas of the world whose peoples live well below the point of economic take-off and desperately need all our help and who cannot possibly be an economic threat to our home markets for the foreseeable future.

In paragraphs 13 and 14 we ask that future policies of the Community should distinguish these countries very sharply from others who are now much more powerful and not to be put into the same category. The negotiating stance you take with the weaker countries of the Third World that need our help must really be quite different from the negotiating stance we take with countries which are now heavily industrialized and exporting at an increasingly rapid rate to the Community and the other OECD countries. Thirdly there is now a group of economically much more powerful, newly industrialized countries. Indeed they are now described by the label 'NIC'. They have expanded their exports to the OECD countries very rapidly, but most of them — and I exclude countries like Hong Kong and Singapore — will not accept manufactured imports in return. Thus that part of their national product which might be spent on our exports as they expand and could be spent on our exports in reciprocal trade is spent instead on further massive investment to increase their exports to us even more.

The result is not only a rise in unemployment as they take away our business from us, but also the crippling of whole industries and the creation of widespread uncertainty, as both management and workers in even wider circles of industry not yet affected by this kind of threat wonder whether their industry has a future. This uncertainty stops investment, kills the new jobs which investment brings and arouses protectionism, not only against the newly industrialized countries but indeed against all imports which people are not really capable of distinguishing one from the other. To a very large extent these countries have been riding on the back of the expansion in the West, and so long as we do not insist on reciprocity in trade with them, they will have the resources to put in even greater investment and take our trade away even more.

We hear a lot of talk about the inevitability of our going out of whole industries, and the inevitability of our

Fred Catherwood

specialization in Western Europe and in the United States, and so on. However, there are whole ranges of industries which we have really got to retain as a strategic base. It is perfectly alright if there is proper reciprocation of trade, but if we are put out of those industries through trade which is not truly reciprocal but simply means people taking away our industry because they are not playing the game on our terms, then that is immensely damaging to us and cannot really be said to be the handing over of trade to those who are able to do it better. If we are all doing it on the same basis, then you can use that argument, but in the case of these countries, we are not doing it on the same basis.

I think that does immense damage in our industries. We have really got to have trade policies for the future that recognize this completely new category of countries and ensure that they cease to be an overhanging threat to our industries and contribute positively by accepting our reports to them. We should have in our Community, which is the biggest trading bloc in the world, the negotiating power to encourage that much-needed change in those countries.

Fourthly, we are concerned in particular that there should soon be a balanced trade agreement with our near neighbours, the Comecon countries. We do not wish any agreement which will put the Comecon members of GATT into a bear's hug, so that they cannot in the future do what they do at the moment. This is one side of these delicate negotiations which are currently going on. However, the increase in bilateral buy-back deals is producing in some industries the very problems that we are suffering from other newly industrialized countries. Therefore it is highly desirable that there should be a workable framework agreement which does put a limit to deals that benefit some industries at considerable damage to others, and that if people want to do a buy-back deal, then they know that there is a risk that the buy-back cannot come into the Community over a certain point. They can buy back and sell somewhere else if they can get a sale but they cannot buy back and sell here on terms which are going to damage industries here. After all, the trouble with the buy-back deal is that one industry does the sale and another industry suffers from the buy-back. The capital goods industry does the sale, and the industry that is manufacturing those goods in this country, the chemical industry or the tyre industry, suffers in its turn, and has really got no benefit from it whatsoever.

Finally the committee points out that since the competence for negotiations has passed from the Member States to the Community, the whole procedure for consultation and ratification of trade agreements needs to be developed. This Parliament, which is competent to discuss these matters with the Commission and the Council, needs to be able to take the place of national parliaments, which do not have the competence to discuss these things directly with the Commission and the Council. Therefore this committee

has with remarkable unanimity cut some corners to get this resolution on the agenda before the end of the year when the new agreement is due to come into force, because we believe that it is right that this Parliament should comment and advise on these matters first, before these things are done. We are most anxious too to improve the Luns-Westerterp consultation procedure.

The last thing I want to say is that we have, of course, no intention of recommending a procedure which forces negotiators to show their hand in public, but we do not really believe that negotiators are so ignorant of each other's position that discussion with the parliament's committee is going to destroy their negotiating position. If you look at the newspaper reports ahead of the Dublin Summit, for instance, it was perfectly clear what everyone's negotiating position was, right down to the last fifty million pounds, and who had won and who had lost and what the *quid pro quo* was and all that kind of thing. So I think it is perfectly possible to have these things out in the open, and it is no excuse therefore to say that Parliament cannot be consulted or the committee cannot be consulted because these things are so desperately private.

We feel that there must be in the future a position for Parliament in trade deals, as well as an improvement in the Luns-Westerterp procedure. In the meantime we are very happy with the help that Mr Haferkamp gives us, but we want a new deal for the future.

(Applause)

President. — I call Mr Schmitt.

Mr Schmitt, *rapporteur*. — (D) Mr President, ladies and gentlemen, I am not going to make a long speech. The document you have before you provides for Parliament's approval of the Commission proposal on matters relating to Australia. We are concerned here with an agreement on the import of 2 250 tonnes of frozen buffalo meat. When my committee gave me this task my initial thought was: what is a buffalo? As a child I saw them occasionally in Westerns, but I have never eaten the meat.

(Laughter)

I am looking forward to the time when Parliament decides that we can eat buffalo in Bielefeld. To be serious: the only comment which I wish to make in addition to the explanations you have before you — you are aware that the committees asked for their opinions are the Committees on Agriculture and Budgets — is that this proposal too has come from the Commission at a very late stage. We are taking a decision today on an agreement which has been in force since 1 October and is only now being brought before Parliament. I do not think that this is feasible for the future, as, if you read the Committee on Agriculture's opinion carefully you will find that it makes some very critical comments on this subject?

## Schmitt

Nevertheless, I would still ask you to approve this motion for a resolution, since as can be seen from the explanatory statement, this is an agreement which provides for some compensation on our part for certain industrial products from this country: we should, indeed, make an effort to maintain relations with countries outside the Community such as Australia, as the Community will also be strengthened as a result. Only through trade and traffic shall we achieve better cooperation. You will find the financial costs in the document. It does not, however, indicate the compensation procedure for any losses caused by this tariff quota. It would be useful if this could be expressed more clearly in future.

I would therefore ask you to approve the proposal and to take a favourable decision tomorrow.

*(Applause)*

**President.** — I call Mrs Caretoni Romagnoli.

**Mrs Caretoni Romagnoli, rapporteur.** — *(I)* Mr President, I suppose the best way to dispose of these two short reports would be by the usual formula: 'I refer you to the written report'. I have only two things to add, which arise out of the fact that these regulations concern the Mediterranean area and therefore reflect our desire for closer cooperation with North Africa and the Middle East. These regulations are entirely consistent with the Community's objective of widening its influence and developing its relations with neighbouring areas.

The second reason why I believe Parliament should approve these two modest but very relevant regulations is that the Community's relations with other countries are at present going through a rather difficult period. Take, for example, relations between the EEC and the Maghreb countries and specifically between Italy and Tunisia. Both in May, at the talks aimed at improving the agreement, and again in October at the meeting in Tunis, it was clear that there were a number of points of friction between the two parties. I believe our committees must give serious consideration to these problems, as our own committee, chaired by Sir Fred Catherwood, has done already.

I would also like to refer to the equally difficult relations with Turkey, a state associated with the Community. The meeting in Ankara in September did not go well either, and we found ourselves in the unenviable position of negotiating with a country in which the economic, social and political situation is unstable and potentially explosive.

Mr President, in asking Parliament to approve these two regulations having to do with certain agricultural products originating in Turkey and with olive oil originating in Turkey and the Maghreb countries, I am motivated by the foregoing political observations to ask Parliament also to give serious consideration to the

political implications of all our relations with these countries.

**President.** — I call Mr Giummarra.

**Mr Giummarra, rapporteur.** — *(I)* Mr President, the motion for a resolution which I, on behalf of the Committee on External Economic Relations, am laying before Parliament for its consideration and approval embodies Parliament's opinion on the proposal from the Commission to the Council for a regulation setting up a Community system of reliefs from customs duty. In the committee's view, this proposal represents a significant step forward in the harmonization of legislation and is a welcome addition to Community customs law, bringing together and classifying, as it does, the various reliefs contained in scattered provisions and presenting a clearer overall picture of the system actually in force, but without introducing any major changes. Thus the proposal brings us closer to the goal that this Parliament has on numerous occasions expressed its desire to achieve, which is the uniform application of the customs tariff through the drawing up of a common customs legislation.

It goes without saying that, whatever kind of customs union we may have, it is inconceivable that it should not provide for the application of a common customs tariff to all products coming from outside the area covered by the union. In practice, therefore, the minimum transport cost, the speed of delivery and the effectiveness of the measures imposed by the policy of the Member States of the union are dependent on a flexible organization of the customs services and on their ability to adapt themselves and modernize. More than that, they depend on the ability effectively to reconcile national and Community legislation and to eliminate subjective interpretations dictated by national interests which would be incompatible with any objective interpretation of a common commercial policy.

In this context, where the Common Customs Tariff is applied in parallel with drawing up the rules necessary for the uniform application of common commercial policy measures and with the harmonization of the rules of import, transit and export of goods which are not put into free circulation in the Customs Union, the reliefs from customs duty are derogations from the normal application of duties which clearly conflict with the notion of the uniform application of the Common Customs Tariff. In fact, where there are differences between national legislations it is essential that relief be covered in them by uniform rules to ensure that there is an equal customs charge on the goods.

To harmonize Community law and the national legislation, the Commission's proposal seeks to define those cases of importation and exportation where the need for protecting the Community economy does not arise. Reliefs resulting from previous agreements are excluded, and certain reliefs which are currently applied

## Guimmarra

in the Member States as a result of agreements with third countries continue to concern only the signatory Member State.

The Commission's proposal brings together and classifies the various reliefs concerned for two purposes: to facilitate a study of the possible cases recognized in the national legislation and, above all, to provide a basis of reference for the future. The list of reliefs included in the proposed regulation is broken down into 31 titles, which I shall not trouble to read out to you. Among the most important are those on commercial consignments of negligible value, goods imported on the occasion of a marriage, school outfits, therapeutic substances, educational, scientific and cultural materials, goods contained in travellers' personal luggage, etc. It is worth pointing out that if the list is noteworthy for anything, it is, firstly, the modest extent of the fields covered and their conventional character and, secondly, the desire to express clearly and plainly a number of concepts which have varied somewhat from state to state and could leave room, if not for a serious deflection of trade, at least for violations of the Community idea.

The Committee on External Economic Relations notes that the proposal under consideration conforms with the Treaty of Rome and is based on Articles 28, 43 and 113 of the Treaty, which respectively give the Council, acting unanimously, the power to extend the reliefs, set out an outline procedure for evolving a common agricultural policy and ensure that the Council's powers are made to serve the interests of the Community.

The provisions contained in the proposal are in line not just with the Treaty of Rome but also with the various international conventions. In particular, the proposal is consistent with the European agreements on the free exchange of human therapeutic substances and blood-grouping reagents, signed in Paris on 15 December 1958. It is also in line with the agreement on customs facilities for tourists signed in New York. It is also in line with the 'Florence Agreement' on the import of educational, scientific and cultural objects. It is also in line with the Beirut Agreement aimed at facilitating the international movement of visual and auditory material of an educational, scientific or cultural character, covering also other measures which I do not propose to recite to you but which you will find in the written report. Finally, the proposal conforms with all decisions taken by the Council in 1966, 1968 and 1969 in respect of measures on the construction, conversion, repair and fitting out of aircraft and ships aimed at harmonizing national legislation, while taking account of the need to place the aircraft companies of the EEC in a competitive position with respect to their opposite numbers in third countries operating international services.

As regards GATT, the proposal is consistent with the need to standardize the system of reliefs based on the definition which it gives for customs unions. Finally, the

proposal conforms with the Kyoto Convention designed to organize all customs legislation and thus facilitate international trade. It should be mentioned that the proposal is formulated on the assumption that all the annexes of the Convention will be invoked, and so it has its own intrinsic value.

Before I finish, I must deal with a particular aspect of the relations with national law. In the matter of customs, the principle of 'the necessary effect' has obvious consequences, such as the fact that it is impossible for the states to accord precedence to a unilateral and subsequent measure over a legal system accepted by them on the basis of reciprocity. If this proposal were adopted, it would be the responsibility of the Commission to ensure uniformity of application of the measures adopted. In particular, the Commission would be responsible for the negotiation of all international conventions involving relief measures and for the investigation and elimination of national measures not covered by the provisions of the Council regulation, in particular those aiming to derogate from the Common Customs Tariff and involving inadmissible distortions of competition.

As regards the effect of the measures proposed on natural persons considered individually, it should be pointed out that one of the merits of the proposal is to provide guarantees and to define clearly what was already being widely applied by the various states. And so the proposal helps to make it easier for people to move about by creating clear reference situations, by rationalizing positions and eliminating the imprecise border-line between the law and what is allowed.

The proposed solution would have no harmful effect on the community, since its measures are aimed simply at providing access to specific goods for the benefit of individuals or intra-Community groups who need them — such as the sick, disaster victims or charitable institutions — without at the same time harming Community manufacturers or distributors of such goods and without unduly upsetting the budgetary charges of the Member States.

In the light of these considerations, therefore, the Committee on External Economic Relations has unanimously adopted the report, putting forward only minor amendments to the provisions contained in Articles 2, 9, 23 and 41, the effect of which is to increase the value of small commercial consignments from 10 to 20 EUA and the value of goods that each traveller may import duty-free from 40 to 100 EUA.

Taken as a whole, the proposal represents, as I have tried to show, a valuable and constructive contribution towards the gradual implementation of a uniform customs law, which can only be to the advantage of the citizens of the Community. On these grounds, therefore, on behalf of the Committee on External Economic

**Guimmarra**

Relations. I urge the European Parliament to approve the Commission's proposal.

*(Applause)*

**President.** — I call Mr Seeler on behalf of the Socialist Group.

**Mr Seeler.** — *(D)* Mr President, ladies and gentlemen. I can start by shortening my speech as I also wanted to thank the Commission for the lengthy negotiations it has conducted. I refer here to the remarks of Sir Fred Catherwood. May I make a few comments on the economic and political questions connected with the conclusion of the Tokyo Round and then some remarks on procedure.

There are still special problems in the relationship of the industrialized countries with the developing countries and in particular with the industrialized developing countries which are also known as 'threshold' countries. The majority of these countries took part in the negotiations, but so far in this group only Argentina has initialled the agreements. Many developing countries feel that this agreement mainly serves the interests and well-being of the industrialized nations. The developing countries find the basic principles of GATT — i. e., tariff consolidation, no export subsidies and the ban on quantitative restrictions — very hard to accept. In the negotiations, the Community made considerable concessions to the developing countries on many points, but there is still a certain reserve amongst these countries. Another open question is the introduction of so-called selective protection clauses — i. e., worldwide quotas or the closure of markets for certain products.

Ladies and gentlemen, from one point of view it would indeed be desirable for the Community to drop its demands for such selective protection clauses. This would undoubtedly make it possible for the markets of industrialized countries to be opened on a more stable basis to developing countries' products. On the other hand, this demonstrates the problems connected with this GATT agreement. Many of the developed industrialized countries can sell their goods more cheaply, as they have cheaper raw materials, cheaper sources of energy and lower wage costs. It is not possible to evaluate the effect of this liberalization on trade and industry in the Community. Many sectors such as the textile, photographic and shipbuilding industries can tell you all about that. However, it must be our task — and I want to sum up this first point thus — firstly to prevent a distortion of competition being caused by disregard for the minimum labour provisions laid down by the International Labour Organization in Geneva. Competition with us would then be based on the exploitation of underpaid workers in developing countries.

*(Applause)*

My political group is therefore proposing an amendment to paragraph 11 of this motion for a resolution. On the other hand — and here I would disagree with Sir Fred — we should not feel ourselves threatened by the fact that this agreement has considerably liberalized world trade, but should take an active rôle in adapting our industrial and trading structures to these altered conditions. To provide long-term job security, we must open up new markets and develop new products so that we can remain competitive in the world market.

*(Applause)*

Ladies and gentlemen, may I at this point make a brief comment on the rôle played by development aid. There is a vast difference between the various declarations and the actual actions of Member States. There is no doubt that the aim of aid given by the Community and its Member States is to assist other nations to break free of hunger and want and share in the world's prosperity.

But development aid also serves quite a different purpose in terms of the world economy, and this is often ignored. In the long term, industrialized countries can only safeguard and expand their employment when they increase their exports to countries in the Third World. This requires the industrialized countries to assist the Third World countries to become interesting trading partners, i. e., to enable them to trade more actively with us than in the past.

*(Applause)*

This may sound rather macabre, but it means in the long term that our development aid to third countries is also long term aid to us to safeguard jobs in Europe.

*(Applause)*

Ladies and gentlemen, there is another point, which requires only a brief comment. That is the results achieved in the Tokyo Round in the agricultural sector. These results are not satisfactory, even if we cannot ignore the fact that, particularly as far as the United States are concerned, there have been considerable improvements by comparison with the previous position. The main aim of liberalization of world trade, the conclusion of a world cereals agreement, has not yet been achieved. This is an urgent matter if our call for solutions to the problem of hunger in the world is not to remain an empty one. My political group is therefore also submitting an amendment to paragraph 7, as many OECD states were not prepared to make reciprocal concessions as the EC clung too firmly to its agricultural market.

A final comment about procedure, and here I am following on from the remarks made by the rapporteur of the Committee on External Economic Relations. Parliament's participation is not satisfactory. Under the so-called Luns-Westerterp procedure, the Council representative did report to the committee — I will

Seeler

make no comments on this report — but Parliament can no longer influence this agreement, as it is signed and will enter into force on 1 January, regardless of the position adopted by Parliament. This form of parliamentary work on such an important agreement is really very unsatisfactory. It should not be forgotten that as yet the Council is not under our parliamentary control, but its members are also no longer under the parliamentary control of the individual Member States, since for many of these matters the individual Member States are no longer competent. The committee therefore thinks, and my political group supports this, that in the medium term this procedure ought to be altered. We think an initial step would be that, after the competent committee has been informed by the Council, Parliament must still have the opportunity under the Luns-Westertep procedure to form an opinion on this information. There must also be sufficient time for Parliament's opinion to be considered at a later stage of the negotiations. In the longer term, it would be desirable that such an agreement only enters into force when Parliament has approved, or at least discussed it.

*(Applause)*

Finally, Mr President, Ladies and gentlemen, in spite of these criticisms I wanted to make, one can say that the results of the Tokyo Round as a whole are acceptable and Parliament should therefore approve this motion for a resolution with the amendments tabled by my political group.

*(Applause)*

**President.** — I call Mrs Lenz to speak on behalf of the Group of the European People's Party (C-D).

**Mrs Lenz.** — *(D)* Mr President, ladies and gentlemen, the Group of the European People's Party, on whose behalf I am speaking, agrees to a large extent with the explanations made by the chairman of the committee. However, it would like to emphasize some specific aspects of this resolution. Like the previous speaker, we welcome, as a step in the right direction, the conclusion of the multilateral GATT negotiations by the European Communities and thank the Commission that in these negotiations they have maintained the traditional links between these two institutions. We welcome the results, even though in our opinion these are not completely satisfactory and although the European Parliament can take no responsibility for individual aspects, as it was not involved in the negotiations. Of course, these agreements are in the nature of a framework, to be clothed by national and international legislation. It will fall to the Committee on External Economic Relations to observe and monitor these agreements as they are put into practice.

The Group of the European People's Party welcomes in particular the fact that in the agricultural sector, or at least in two parts of it — the agreements on beef and

milk products — the basis of the Common Agricultural Policy has been upheld. However, we would emphasize. And here I would agree with the previous speaker, that the conclusion of a world cereals agreement would be of great significance. We think, and this has already been mentioned, that in future far greater efforts should be made in the negotiations to meet the requirements of the developing countries, particularly those of the poorest.

We also welcome the committee's intention to hold a joint hearing with the Committee on Development on the, as yet, unclarified question of protection clauses so as to gain greater insight into the problem and try and find solutions. However, we are not prepared to modify the criticism expressed in paragraph 7 on the lack of cooperation from state-trading countries by commenting on the conduct of some OECD countries, as we hope that in future there will be greater scope for negotiation through an EEC-Comecon framework agreement.

The EPP Group emphasizes the importance of gearing future trade agreements to the effect on the Community labour market and supports the demand for the introduction of a common industry policy and the necessary structural changes. However, we reject the introduction of the idea of a code of conduct, as demanded by one political group. We think that the wording of the motion for a resolution suits the actual requirements very well, as the problems can be dealt with better by the creation of a common trading policy.

By introducing a new paragraph 15a, which you have before you, the EPP Group wants to extend the basis for future negotiations. It wants to introduce the principle of including public and private investments in the GATT agreement. It supports the significance of the sole negotiating competency of the Community. However, it does not seem suitable, as appears in one amendment to comment on the rôle of an individual country when it has ample opportunity elsewhere for discussion of such general questions. The EPP Group would particularly emphasize the significance of Paragraph 17, particularly with regard to the future rôle of the European Parliament — and here we would concur with the previous speaker and we reject any weakening of the statement. In connection with this, and I am reaching my conclusion now, we wish to draw the European Parliament's attention to two important aspects for the future. These are the participation of the Parliament in the final phase of negotiations and in the ratification and also its increased and improved participation at the negotiation stage under the Luns-Westertep procedure through regular and considerably improved dialogue.

As a group, we therefore largely agree with the motion for a resolution of this committee.

*(Loud applause)*

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

**Mr Welsh.** — Mr President, first of all, I would like to offer my sincere congratulations to my honourable friend the rapporteur, the chairman of the Committee on External Economic Relations, on the lucidity and force of his presentation. I only wish, alas, that I could match his eloquence.

May I also, on behalf of the European Democratic Group, offer our sincere and profound congratulations to Mr Haferkamp and his associates on the successful conclusion of these long and arduous negotiations. We truly appreciate the effort and the skill that went into them. Unfortunately, as the Commissioner knows, congratulations last for about half a second, and as an experienced politician, he will know that the multinational trade negotiations are a beginning, and not an end. It is our job tonight, perhaps, to point out to the Commission some of the directions this new beginning can take. In the first place we must have protection of the legitimate interests of our own Community interests.

Secondly, we must use the GATT to attack non-tariff barriers to Community products in developed and developing countries, and thirdly we must encourage investment in developing countries so as to stimulate consumption and do our bit to end world economic stagnation.

The EEC, Mr Vice-President, accounts for the biggest single share of world trade. It is right and proper that we should use our strength to expand the world economy and assist developing countries, but we have a duty to our own people too. The nine Member States joined the Community because they believed that nine countries were stronger than one, and that the basic interests of their people would be better protected as part of a Community than they would be by individual nations acting as if they were alone. It is legitimate for us to remind the Commission and Council that they have an overriding obligation to protect and foster the industries of the Nine, and that the full weight of the Community's trading muscle must first be deployed towards this end. It is perhaps even more important to remind the governments of the Member States that unity is strength, and that the governments must give their full and uninhibited support to the Commission's endeavours to promote the interests of industry throughout the Nine, and not weaken those efforts by seeking to carve out short-term national advantages by dealing with our major trading partners on a bilateral basis.

Nowhere is the need for a more positive policy by the Commission illustrated more clearly than in the current negotiations with the United States over the unfair advantage that American exporters of man-made fibres enjoy by virtue of the US Government's price regulation

of oil and natural gas. As a result of this concealed subsidy, Mr President, which is most certainly contrary to the spirit if not the letter of GATT, the textile industries of Britain, Italy and France are threatened with devastation by cheap American imports of synthetic fibre and cloth. In the last three months in Britain alone, plants have closed with the loss of thousands of jobs, and severe damage is being caused throughout Europe. I am very glad Mr Haferkamp is here tonight, and I hope he is listening very carefully to what I say, because we have heard a great deal in this house, Mr President, of the need to protect the livelihood of farmers in France and Germany, and indeed we, as members of the Community, are expected to pay for that. I would say to you that the textile workers of Britain and Italy have exactly the same right to the concern and protection of Community institutions when their livelihoods are at risk, as the farmers of France and Germany.

*(Hear, hear)*

We are most grateful for the support of our colleagues on the Committee on External Economic Relations, and particularly as regards paragraph 6 of the resolution. We trust that the Commission and Council will treat this as an unequivocal mandate from Parliament in respect of their meeting on 14 December with US Government representatives to stand firm and ensure by using the power of the Community within the framework of GATT that the European textile industry and those who work in it receive the protection to which they are entitled.

I now turn to the second aspect of the future of the GATT negotiations, the attack on non-tariff barriers. This group has put down an amendment concerning Japan. It will be dealt with by my honourable friend, Sir John Stewart-Clark in his address and also by the honourable lady who will be speaking on behalf of the EDG. Certainly they will be much better capable to deal with this particular point than I would, so perhaps I could now turn to our second amendment.

With your permission, Mr President, and with the agreement of our colleagues in this House, I wish to propose a small verbal amendment to the text of Amendment No 11, in the name of our group and that of the European People's Party. We would ask you to permit us to delete the words 'as a part of a comprehensive policy' and then to end the amendment after the word 'agreements', thus deleting the words 'especially since capital investment in the developing countries will play a crucial role in stimulating their economies'. These proposed verbal amendments, Mr President, are designed to secure the agreement to this particular text in its amended form from parties in all parts of the House, and on that basis I am very pleased to propose those deletions to you.

Let us now turn to the second part of this amendment and now, Mr President, I speak particularly to Mr

## Welsh

Seeler and the honourable gentleman opposite, because it concerns the future of the Community's relationship with the developing world. Many honourable Members will remember that after the war the Americans with their Marshall Aid programmes stimulated an era of prosperity and success for the Western world which has been unparalleled in human history. How did they do it? They did it by investing in the shattered, war-torn European economies so that people could consume again. The Europeans became consumers of American products because, thanks to American investment, thanks to American capital in their industries, they were able to afford American products. It was not a disinterested action, it was extremely realistic and extremely cool, and may I say to the honourable gentlemen opposite that this is what we have to do now. Let us look for a new era, a new era of Marshall Aid for the Third World. Instead of treating multinational corporations with restrictions, with discrimination and even in some cases with abuse, would it not be so much more imaginative for the Community to encourage these companies who, after all, do control the sinews of strength, to invest in developing countries? Let us create, Mr President, a new era, a new pattern of consumers. Let us end the blockage and stagnation that affect us by making the Third World, the people who live in the developing countries, consumers of our goods. And if they become consumers of our goods then, because our industries will start to grow again, we will be able to import more of theirs. It is simple, it is realistic, it has been done before, and I say to you, Mr President, and to the honourable ladies and gentlemen opposite, why not again? Would this not be a tremendous start on the basis of the successful GATT negotiations for the Community to adopt in the 1980's. I ask the House to join with us and our friends in the European People's Party in supporting this amendment on capital investments in the developing countries, because that is a new direction. It is a new direction, it is a practical direction and it is what, if I may say so, this Community is all about.

*(Applause)*

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

**Mrs Poirier.** — *(F)* Mr President, the GATT agreements have their own logic: industrial, agricultural and trade policies have to serve the same objective; production organizations and world market structures must be subordinated to the changing demands of capital profitability and the needs of the multinationals. Trade structures must ease the path of these corporations and allow structural adjustments in the appropriate sectors of Community industry. This is not my message, it is the message of the resolution tabled by Sir Fred Catherwood; and if a few minor measures to protect national or regional economies are still permitted, that is merely to cover the period required for restructuring. It is only misguided fools like us who have the temerity to call attention to the human realities behind the

façade, the swelling ranks of the unemployed, the crippling blows suffered by regions already hard hit.

There you have the logic behind GATT. That is why it is futile, in our view hypocritical double-talk, to say that it is necessary both to protect the level of employment and to maintain competitiveness. I would point out in passing to the rapporteur that the massive imports from countries where human misery is the corollary of low costs are largely the work of multinationals that have invested there in circumstances which bring no real benefit to the country concerned. You have Pechiney, you have Rhône-Poulenc, you have many others. Everyone knows perfectly well that when we talk about competitiveness here we are talking about more unemployment and austerity for the workers in our own countries. We are, incidentally, talking about the decline of France.

Mr Wolf, deputy leader of the American delegation at the negotiations, said: 'I believe that the tariff reductions implemented by all the countries and the non-tariff codes will have a significant effect on investment decisions in the world. The large companies will establish their production centres where they will find the best profitability.' And Mr Wolf was also well aware that under these conditions it was his country which had everything to gain, since the United States enjoy a dominant position in every respect: the number and size of their multinationals, the power of their agriculture, their influence on world trade, and the rôle played by their currency. To a lesser extent, the same may be said of Japan and Western Germany. The agreements will in no way change the hierarchy of power and imperialism. In practice, and despite these agreements, the USA will still be able to keep out a wide range of products. American law remains ambiguous in regard to the application of the agreement, and the resolution submitted to us merely takes note of the risks and glosses over the realities of the situation.

So we come to the Common Agricultural Policy, whose principles, he says, are respected by the Tokyo Round. It is true that the United States seem to have temporarily withdrawn their demands in this area, but it is still appropriate, especially in the light of the debates that have taken place here, to ask ourselves whether they have not perhaps been given an assurance that the systematic dismantling of the few remaining rules that still protect our farmers will be undertaken by the Community itself and the Member States by some other instruments, particularly budgetary instruments.

We are in fact, going to see increasing penetration of the European market by American products in various sectors that are already experiencing a crisis. The United States are, moreover, openly counting on these agreements to reduce their trade deficit. The few concessions approved by the United States are fully compensated for by the continuance of protectionist provisions and the fall in the dollar. The motion for a

Poirier

resolution states quite clearly that agreements concluded during the GATT negotiations will work satisfactorily only — and these are the exact words — ‘if measures are taken to reform the international monetary system’. There is nothing in prospect to suggest that this could come about, and yet the majority of this Assembly, I suppose, are ready to accept these agreements. Harmonization and liberalization are a myth. In this world, it is the rich who shall inherit the earth. The developing countries which refused to sign the protocol to the agreements at the end of the negotiations are only too well aware of this.

At the Tokyo Round negotiations, during the UNCTAD negotiations in Manila and also at the Lomé II negotiations, the Community resisted the demands of the Third World countries. In Geneva and Manila, the Community and the United States together resisted their demands. The United States would also have liked to have been able to introduce selective safeguard clauses, but the developing countries quite rightly opposed this. They refused to be divided. Their refusal was on the grounds that this selectivity was politically motivated. It appears to be a favourite pastime of this Assembly to talk and weep over the poverty in the Third World. At the same time, however, there is a readiness to accept the failure to reach agreement on wheat because the United States and the EEC wanted to set too high a price, a price that the developing countries considered unacceptable.

Similarly, as regards GATT, dairy products will only be used for food aid to the extent that the situation allows and in such a way — and I quote from the statement that followed GATT — ‘as to avoid any disturbance of the normal pattern of production, consumption and commerce’.

There you have all the declarations of good intentions reduced to their proper proportions. I concede that commercial considerations are at the very heart of the problem of relations between the industrialized countries and the developing countries, but GATT itself is the proof that the present economic logic and the crisis, which we ourselves say is not all that serious, prevent us from finding a solution to them. I need only quote you the conclusion of an UNCTAD report, which states: ‘The results can only be regarded as disappointing and incomplete from the point of view of the developing countries and probably prove that there is no hope of reforming the rules of international trade in the framework of GATT.’

It is in the light of this remark that one can try to understand the attitude of the Comecon countries. If they are trying to hang on to what they have — that is to say, a steady rate of growth and no crises — I believe we are in no position to complain about it or to reproach them for it.

Finally, there are in these agreements other threats to the commerce and independence of our countries, and France in particular is threatened by the agreement on government procurement. There, according to Mr Wolf, is another 25 thousand million dollars open to international competition! The French and other taxpayers will be able to continue a little longer to be the milchcows of the American, German and Japanese industrial giants, but the links with the supplier — I would say the dependence — established by such contracts calls into question, quite apart from any economic considerations, the freedom of nations to make their own decisions.

I know that for many people in this House this scarcely counts for anything. But for us independence is part and parcel of the liberties that everyone here so often claims to want to defend.

In conclusion, we can in no way agree that this Assembly should confer on itself the power of ratification, which at present it does not have. We do not wish to become involved in this bogus debate about protectionism and free trade. We shall oppose any agreement the only virtue of which, in the final analysis, is to facilitate the activities of the multinationals at the expense of the people and to the detriment of true cooperation.

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

**Mrs Agnelli.** — (1) Mr President, it falls to me often in this Parliament to speak after Mrs Poirier, whose words are strangely reminiscent of those boys who go into a business school in Turin and take pot-shots at the legs of the students and teachers.

The negotiations for the Tokyo Round have now ended and the results are already known to us.

We have nothing but praise for the evident determination to do away progressively with all forms of the trade war that has been waged through recourse to a whole arsenal of tariffs, technical barriers and dual pricing.

However, we must be vigilant because real success is dependent on the proper implementation of the agreements. We have to wait for the results of the negotiations to be translated into law and into action. Whenever and wherever it comes across any measures affecting any sector or product that might compromise the process of liberalization of trade our Parliament will need to speak out and bring the offender to book.

In the course of the GATT negotiations many areas of tension were first encountered and later their common denominator was identified: I am referring to the North-South dialogue, East-West relations, the Mediterranean area, the non-aligned countries, and so on.

## Agnelli

I should like to refer briefly to the relations with Comecon and to express the hope that we may see the development of bilateral negotiations between individual Eastern-bloc countries and the Community as a whole, exactly as was the case with the United States and Japan.

Unfortunately, the effect of the energy crisis and the inflationary spiral on the pace of economic development and employment could give rise to strong protectionist tendencies which could compromise the results of the multilateral negotiations. Solidarity between trading partners of the West is therefore vital if the pressures to resort to the law of the jungle are to be resisted.

The developing world, which is suffering more acutely from the oil crisis and the recession, is putting into a different scale of values the expectations that even the most generous aid policies have been unable to fulfil. It is also being forced to push its own products on the markets of the industrialized countries, sometimes pursuing a policy of dumping. If we want to avoid destroying the already unstable GATT agreement with the Third World we have to commit ourselves to the North-South dialogue and give it concrete expression.

The growing monetary disorder and the dollar crisis could at any time lead to a sudden fall in the value of money which would at a stroke remove the impetus to bring down tariff barriers. The EEC has already introduced a measure of stability between the currencies of the Nine. It should now seek to reach agreement with the other major currencies and offer to the holders of petrodollars readily acceptable instruments of payment and so restore order to the money market.

Scanning the political horizon we can identify the rapidly gathering signs that presage a return to the sterile policies that were partly responsible for the outbreak of the Second World War. We should use every means at our disposal to forestall the fulfilment of the gloomy forecasts that can be drawn from these signs. One such way is to build on the agreements concluded in Tokyo, which were aimed at increasing trade between the major industrialized areas and between them and the rest of the world. The industrialized countries are in a state of siege: They would be able to put up a better resistance if they were less divided among themselves. If we are to avoid the worst it is time we realized that there is very little room for national egoism.

In conclusion, let me stress that the European Parliament must not confine itself to simply monitoring the implementation of the EEC's international agreements. It must also press its demand for the right, together with the Council, to ratify all future agreements.

Article 113 (3) of the EEC Treaty lays down that agreements with third countries are the exclusive

responsibility of the Community and so Parliament, particularly since the direct elections, should be involved both in the initial stage and in the decision-making process.

One of the pillars of the Community, apart from the common agricultural policy, should be the common commercial policy. Participation by the Member States at the signing of the tariff and non-tariff agreements under the Tokyo Round and the subsequent ratification by the national parliaments carries with it the risk of a Community policy being renationalized. It is this danger that gives us most cause for concern.

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

**Mrs Chouraqui.** — (F) Mr President, I listened with keen interest to Sir Fred Catherwood's statement on the motion for a resolution and to the speeches of the rapporteurs of the Committee on External Economic Relations.

Speaking on behalf of the Group of European Progressive Democrats I should like to make a number of points. The GATT agreements will be signed on 17 December. The multilateral trade negotiations were long-drawn out and covered a very wide area. As you are aware, there is no country which is formally opposed to the adoption of the texts. However, although the achievement was considerable not all the objectives were attained.

The developing countries have not concealed their disappointment, and elsewhere, for example Australia and Singapore, serious reservations have been expressed.

Moreover, we find that two essential matters have still not been settled, namely application of the safeguard clause and the arrangements governing imports from third countries.

As for the future, there is now no question of embarking on another round of negotiations to improve the results obtained, what we have to do is implement the provisions adopted. This is most important, and we would ask the Commission to give careful consideration to the following remarks.

It appears vital for the Community to satisfy itself that its partners are properly honouring their commitments. It is true that improved access to the American market has been secured for the Community's products, but some cause for concern remains. Even before the signing of the agreements, it seems that the United States have already introduced changes in a number of major sectors. The provisions contained in the Trade Agreement Act of July 1979 are not in accord with the code initialled in Geneva. The definition of 'injury' adopted in the context of the application of

**Agnelli**

antidumping or countervailing duties tends to undermine the definition arrived at in Geneva since, according to the texts, the injury must be substantial, material, and it must have consequences. The method of calculating the dumping margin based on production costs on the export market rather than the selling price renders the GATT agreement less effective.

Furthermore, internal subsidies appear to be treated in the same way as export subsidies, which is contrary to the GATT code and has the effect of reversing the burden of proof, thus hitting the European exporter. How can we be sure that Community exports to the United States will not be subjected to countervailing duties? We must bear in mind that in the final analysis it is the American Congress which will decide the matter — and this is only right and proper — for the Community does not intend to await implementation of the GATT agreements by its partners before going ahead itself. This is undoubtedly a generous approach.

What it should, do, however, is to make it clear at the time of signing that it reserves the right to apply the GATT agreements in the light of the conduct of the other signatories, notably the United States and Japan.

In connection with Japan we endorse the amendment tabled by Mr de Courcey Ling and others, deploring the fact that Japan has failed to play a more constructive role in the multilateral trade negotiations.

We therefore call on the Commission to undertake a general review of the trade arrangements concluded with Japan with a view to measures that will ensure fair access for Community products to the Japanese market. We just cannot afford to tolerate a situation which could exacerbate our unemployment and render our industry non-competitive.

Finally, I come to a point which causes us some concern and which has led us to table an amendment. I refer to the proposal put forward in paragraph 17 for formal ratification of trade agreements by the European Parliament. I believe that in the case of GATT such a procedure would be legally untenable since with some codes, for example standards, the arrangement for trade in civil aircraft and the tariff protocol, the Member States are also signatories. In such situations ratification must, wherever it is required, be the responsibility of the national parliaments.

It is therefore for legal reasons that we have tabled our amendment, which calls for the deletion of the phrase referring to the procedure for the formal ratification of trade agreements. It would not be legitimate to adduce the fact that the parliaments of the Member States do not ratify GATT negotiations. Such a role does not come within the powers assigned to the European Parliament, which is merely asked for its opinion.

Unless the Treaties are amended it is the Council which has sole responsibility for legislation that comes within the Community's sphere of activities.

Those, Mr President, are the comments we have to make on the GATT negotiations. As a new Member of this Assembly I sincerely hope that 1980 will mark the beginning of a new phase of fruitful activity, starting with the full implementation of the provisions agreed upon in the course of these negotiations, for the greater benefit of the European Economic Community. Subject to the two amendments referred to, my group endorses the outcome of the proceedings conducted within the Committee on External Economic Relations under the chairmanship of Sir Fred Catherwood.

*(Applause)*

**President.** — I call Mr Paisley.

**Mr Paisley.** — Mr President, I should like to welcome the motion which is before us tonight and which has been presented to us by Sir Fred Catherwood. I do so because the matters we are discussing tonight are of the utmost importance to Northern Ireland, which I represent in this House. I should like to say, too, on a personal note, how gratified I am that an Ulster man, in the person of Sir Fred Catherwood, has put this motion before the House, and I should like to add that we are glad of his interest in the serious unemployment situation which we have in Northern Ireland.

Now, the motion '... urges the Council and Commission to spare no endeavours to reach urgent and satisfactory agreements to protect the textile producers of the Community from cheap imports...' and it is upon that particular matter I want to dwell this evening.

Northern Ireland has one of the worst unemployment records in the whole of the Community. West of the Bann — and the province of Northern Ireland is divided by the River Bann — we have areas where 28 % of the working population are unemployed; and anybody who knows anything about Northern Ireland knows that west of the Bann is the predominantly Roman Catholic area. So the majority of these people who find themselves unemployed are Roman Catholics.

It is the policy of the party I represent to see that employment is brought to all sections of the community in Northern Ireland: that is one of the main platform principles of the party I represent both at Westminster and in this House. We have a terrorist problem, a very serious one, but we also have this unemployment cancer, which is eating the vitals out of our little province.

There is, of course, a reason for this. The reason is that Northern Ireland is largely bereft of raw materials, and because of that the raw materials have to be transported into Northern Ireland; and transport costs also tell

## Paisley

against viable industry. Northern Ireland was once the headquarters of the linen industry, and because of the change to man-made fibres it naturally went into the man-made fibres industry. It may not be generally known in this House that 30 % of the total textile industry of the United Kingdom is situated in Northern Ireland; therefore, when there is a rundown of the textile industry, Northern Ireland is especially hit.

The two main industries in our land are heavy-engineering, in particular shipbuilding, and the textile industry. Heavy engineering has been especially hit; the shipyards of the world are in recession. Now we find textiles in recession, and Northern Ireland is feeling the icy wind blowing across its economy because of this.

I have in my hand a letter from the minister responsible for commerce in Northern Ireland, Mr Giles Shaw, who writes:

It is important for all of us to take advantage of all opportunities of emphasizing to appropriate EEC contacts the importance of shirt-making in Northern Ireland and indeed of trade in textiles and clothing generally, because these supply 48 000 jobs — a third of all manufacturing employment in Ulster. That being so, it is of the utmost importance that steps are taken to safeguard the jobs of these people who work in the textile industry.

Now, as a result of polyester imported from the United States of America, one factory has already closed west of the Bann, in the city of Londonderry. In Carrickfergus, the polyester section of the Courtaulds, plant has been run down and is in danger of closing. Another section of the same firm in the town of Larne is ready to close as well. So it is important that the problem of polyester imports be dealt with. In 1978, 7 % of the British market in polyester was in the hands of American exporters; today, 25 % is in their hands. So we can see the result of polyester imports from the United States of America. The feedstock is, of course, two-thirds the price of our own feedstocks that can be manufactured here in this country. So the Americans are away out on their own in regard to this particular matter.

I should like to pay tribute to the Commission and to Vice-President Haferkamp for his deep interest in, and consideration for, Northern Ireland. I have had good results from representations that I personally and my colleagues have made to the Commission and especially to the Vice-President, and I should like to pay tribute to Sir Fred Catherwood, who set up a meeting with the Vice-President for my colleagues from Northern Ireland and myself today. I am glad that the Vice-President has accepted an invitation which I put to him at that meeting to come to Northern Ireland and look at the situation. All my colleagues are as one in this: that we should have an on-the-spot visit from the Vice-President and that he should see for himself the situation and endeavour to help us, because I believe that, if we could get the unemployment question dealt with in Northern Ireland, it would at least be one ingredient in an overall

solution to the problems that we are facing at the present time. I trust that the action that is going to be taken at the meetings that are in the offing will help to safeguard jobs for the people and that, as a result of what the Commission is endeavouring to do, we shall have a fruitful harvest.

*(Applause)*

**President.** — I call Mr Martinet.

**Mr Martinet.** — *(F)* Mr President, I should like to begin by paying tribute to the work put in by Sir Fred Catherwood, who chaired our discussions with admirable impartiality and accepted a number of the points made in committee.

Having said that, I feel I have to make several comments on the text of the report before us, comments which, as a matter of fact, apply equally to most of the texts which come up for our consideration.

I believe that in this Parliament we face two dangers, or perhaps I should rather say two temptations: the temptation of diplomacy, which deters us from naming directly certain countries or economic forces, and then the temptation of good conscience, which leads us to adopt resolutions that take too harsh a line with the Commission or the Council and that advance objectives highly attractive in principle but — if only we had the honesty to admit it — unattainable in practice, at least within a reasonable time span.

My main criticism of this particular report is that it fails to spell out sufficiently plainly and unambiguously the dominant roles of the dollar and of the multinationals, factors that afflict all negotiations conducted purely and simply under the banner of the ideology of free trade. I am told, for example, in Sir Fred Catherwood's report that the agreements concluded within GATT can be applied in a satisfactory manner only if steps are taken to strengthen the international monetary system. No one will question that statement. But what does it in fact amount to in practice if we do not ask the Community governments why they agreed to take part in ambitious trade negotiations designed to reduce tariff and non-tariff barriers to trade without first getting to grips with monetary problems connected with the privileged position of the dollar?

Moreover, an amendment tabled by the Socialist members of the committee was rejected. It was actually a very minor amendment, but it concerned the multinationals. Yet how can we talk sensibly about international trade without taking into account the fact that a substantial proportion of such trade involves multinational companies and their subsidiaries? In that connection I have been struck since my arrival in this Parliament by the limited information supplied us by the Commission, and in particular its Directorate-General for Competition. What we are

**Martinet**

given is fragmentary and we are not nearly as well briefed as, for example, the OECD delegations. In the OECD they have a department dealing with complaints against the code of conduct for multinationals. There is nothing like this at the Commission, and this is a really serious omission.

The amendment tabled by the Socialists was, as I said, very minor. All it did was to point out that ILO rules had to be observed. This is a minimal requirement but it is something particularly important for our relations with the developing countries. My honourable friend, Mr Taylor, referred earlier on to the problem of the developing countries, some of which may offer industrial competition to the Community countries. I think we have to face up to these problems fairly and squarely. We are living at a time when there is a lack of balance in trade between the industrialized and the developing countries. There are two reasons for this. One is often advanced: the relation between industrial prices and the prices of raw materials from the countries of the third world. That is something which we must accept with all the consequences it implies, notably as regards the conversion of our industries. The second reason, no less important since it is no short-term phenomenon that will go away in response to a few declarations of good will, consists in the fact that for the same work, for the same productivity, the cost of the work may be four or five times or even, as in the case of textiles, ten times lower than that paid for the same productivity here in Europe. And that is where the real reason for the imbalance in trade lies. And we shall have to wait for many years before this situation is corrected. In these circumstances we must accept the facts as they are and realize that we cannot solve the problem simply by imposing the rules of free-trade, by talking about tariff and non-tariff barriers. We must solve it by concluding long-term agreements with the developing countries.

This in turn presupposes that we have worked out plans of our own. It is absurd to attack these problems without proper planning at European level. You may complain, you may deplore the existing situation, but you will do nothing to put it right.

That is why we Socialists are not satisfied with pious words, with the recognition of the need to expand trade — the last thing we are of course is protectionists. We know that we cannot overcome the problems that have arisen in connection with the Tokyo Round without having another policy for Europe, without changing the path we have followed over recent years.

**President.** — I call Sir John Stewart-Clark.

**Sir John Stewart-Clark.** — Mr President, I should like to thank Mr Haferkamp and his fellow Members of the Commission for the part they have played in obtaining a worldwide reduction in tariffs of approximately one-third in the Tokyo discussions on Gatt. This was

obtained in difficult economic circumstances; the implication is surely a contribution to stabilizing world trade, and, in turn, to improving the prospects of world peace.

The value of this agreement will, however, depend on the spirit in which the signatories abide by it. The abolition of non-tariff measures in the form of technical barriers to trade, subsidies, countervailing duties, dumping, and licence procedures is vital. My group welcomes the setting up of codes to ensure the minimization of non-tariff barriers. But the utmost vigilance is necessary to see that these are observed. I am aware that the Commission has achieved a very great deal with a small and hard-worked staff in Geneva.

May I be permitted to recommend that a larger number of Commission staff could be employed in the matter of control. To be effective, the Community must concentrate on matters of significant abuse. Priorities must be established; pursuit of culprits must be relentless. The help of national governments in the Community is also absolutely necessary to ensure that correct monitoring takes place, and that we have coordinated action in controlling the activities of our own members and those countries with whom we are trading abroad. The agreements under GATT will most certainly be ignored and got around unless the Community — through the Commission and through the member countries, through trading ministries, through customs and excise facilities — exerts proper control. I should like, as a member of the Committee on External Economic Relations, and of this Parliament, to ask the Commission to ensure that regular annual reports are made available to us in the Parliament on the success of the implementation of the GATT agreements.

I now wish to turn to the GATT agreement in relation to the United States, Canada, Japan, Australia, New Zealand and the countries of the Eastern bloc. I have just returned from leading a parliamentary delegation to Canada. During this visit I also had the opportunity of talking to the Foreign Affairs Council in Chicago. It is quite clear that in both countries relations with the Community are seen to be of vital importance. The Tokyo round of negotiations and the NATO alliance are seen as being king-pins in this, and neither side must flinch in endeavouring to safeguard both of them. In the case of the United States, this country, with its enormous trading strength, has made considerable concessions by evening out its tariffs and by participating fully in a consolidation of new, multilateral trading rules. Congress too is to be thanked for its formal recognition of American international trade obligations, despite the presence of strong protectionist forces. I hope that the United States delegation from this Parliament will take this fully into account, and will pursue the matter of effective implementation during its forthcoming visit to Washington. I trust also that neither they nor the

Sir John Stewart-Clark

Commission will relent in ensuring that anomalies such as those mentioned by Mr Walsh and by Mr Paisley are sorted out.

Turning now to Canada: we are happy to be able to congratulate the Canadians on their substantial contribution towards tariff reductions. As you know, a new government was returned to power in May of this year, and it is to be applauded in having decided to accept the results of the multilateral trade negotiations. Indeed, a bill modifying the Customs Tariff Act will shortly be presented to the Canadian Parliament. Canada also intends to tackle seriously the matter of unfair and injurious import practices. I should also point out that Canada has a bilateral trading agreement with the Community, working within GATT. In addition, both communities have signed a framework agreement for economic cooperation in research and industry.

Next Monday the Canadian Secretary of State for Foreign Affairs will be leading a team to Brussels to discuss this agreement. Both Canada and the Community have permanent representatives in Ottawa and Brussels. These two strong links between our two communities are vital. Canada with her enormous resources in uranium, oil, gas and minerals is vital to the Community. Equally, she needs investment from our enterprises, and she needs market outlets for her manufactured goods.

But we have to ensure that our trade will increase with Canada in percentage terms. Since 1970, this has not happened. I must stress that in the implementation of the Tokyo Round agreements by Canada we, as a Community, have got to be alert. I say this partly because of the autonomy of the provinces in Canada, each of which has its own government and its own Parliament. A province such as Ontario, which accounts for over 80 % of all Canada's manufactured exports, often acts very independently. The difficulties we have encountered with provincial liquor boards in the assessment of duties is but one instance of this.

Equally, in the discussions which we have held with him the Minister for Agriculture and Fisheries has made us aware of the problem concerning tariffs on fisheries products entering the EEC. He has stated the Canadian Government's wish to talk with the EEC about a longer-term fisheries agreement, if it could be demonstrated that there were considerable benefits for Canada, such as the equalization of tariffs on fish products. Is it realistic that EFTA countries should currently have preferential rates to Canada with which we have a bilateral trading agreement? The matter has caused considerable friction between the Federal and provincial governments in Canada, and is something which needs to be cleared up.

I should now like to turn to Japan. It is noted that Japan intends to submit to the GATT tariff protocol, and will put the codes to its Diet for approval as soon

as possible. I have much admiration for the Japanese. If they give their word, their word is their bond. But the Eastern way of saying 'no' is often to say: 'We will do it as soon as possible'. I note that the Commission states that, while there may be, for constitutional reasons, some delay in implementing tariff cuts, there is little reason to doubt that they will take place. I believe that there is every reason for doubt, and I consequently request that the Commission carry out a comprehensive review of trading agreements and arrangements, with a view to launching new initiatives to secure fair access to the Japanese market for Community products. Here again I believe that our Parliamentary delegation which Sir Fred Warner will be leading to Japan, should help in this endeavour.

I turn to Australia and New Zealand. I note that a further tariff protocol is foreseen in the next few months to allow more participants such as Australia, to deposit their lists of tariff concessions. Let me just add a sense of acute disappointment that this great country, Australia, which represents so many values which we, as a Community, hold dear, seems intent on maintaining high tariffs, and seems equally unwilling to adhere to many of the codes established under GATT. Of course we understand that, with Japan so near, there is a considerable threat to her established home industry. Nonetheless, a greater commitment to the multi-trade negotiations would have been welcomed. In this respect New Zealand, I think, is to be applauded, small country though she is, for going as far as might be expected in the negotiations which have taken place, taking into account her undoubtedly difficult economy.

I am certainly not one, as the Commission in Canada know, for maintaining sizeable delegations, unless concrete trading results can be achieved. I do nonetheless believe that there is a strong case for establishing a small delegation in Australia to ensure that Community trade develops with both Australia and New Zealand, and that Australia, in particular, becomes more of a true partner with us trading under GATT.

With regard to Eastern Europe, I must declare our willingness to trade freely and openly with all other countries that are prepared to do likewise. However, with those countries which are not prepared to play by the rules and will not commit themselves to the agreements made by other countries, there can be no expectation of free and lenient trading. The basic economic rules must be the same on either side of an agreement to prevent abuse. As a Community, we are responsible for fifty per cent of free world trade. Let no one, however, be in any doubt that we can only trade freely with those countries that are prepared to trade with us in similar spirit.

Finally, may I add some pointed words to the Commission: Whilst Parliament is satisfied with the consultation procedure that takes place during trading

Sir John Stewart-Clark

negotiations, we do not consider that adequate consultation takes place before the commencement of negotiations, or at the point of their conclusion. Under the Treaty of Rome, the Commission has got exclusive rights to negotiate commercial, bilateral or multilateral agreements, and these are achieved under guidelines set down by the Council. Whilst this is right and proper, Parliament really must be allowed to express its view in a more formal sense so as to be able to influence the pattern of negotiations which are about to take place, and to give its own guidelines before finalization. Parliament and Commission are, after all, partners in a single endeavour. To this end I would suggest, Mr Commissioner, that two heads are better than one. May I therefore ask you to give concrete assurances to this House that matters in this respect will be improved significantly?

(Applause)

President. — I call Mrs Caretoni Romagnoli.

Mrs Caretoni Romagnoli. — (I) Mr President, we view the forthcoming vote with a great deal of perplexity. The multilateral trade negotiations in GATT are a key question in the EEC's external relations and yet, as has already been pointed out by our rapporteur — to whom, incidentally, I too should like to add my sincere thanks — Parliament has entered into this debate having only partial reports by individual committee members to go on, based on incomplete data from the Council and without a full and detailed report from the Council on which to base a searching debate. In our view the principles and substance of the matter require a searching debate. It has been said that time is short and that the material is incomplete and in the report we even have a direct reference suggesting that Members have not had the time to inform themselves on the matter. If that is the case, then the situation is really serious.

I should like now to make a few brief comments on the procedure. Whatever the Westerterp procedure may say, Parliament must be kept informed. We could of course discuss the way in which Parliament should be involved and the extent to which it should be involved but that is something we shall have to leave for another time. The fact nevertheless remains that it has a right to be kept informed. Well, there was no debate on this subject, on this highly complex problem in April when the Council authorized the Commission to sign the agreement — and the fact that we were coming up to the elections to the European Parliament does not to us appear to be a valid reason for that — nor was a debate held in October when it came to the ratification. So now we are in a state of confusion because we do not want the European Parliament to be called upon simply to rubber-stamp a *fait accompli*, as so often happens. And also because — and this is a bone of contention — when faced with a *fait accompli* the urgency dies down by itself.

Very quickly, because I know I have very little time, I should like to make two observations on the matter in hand. We are not as convinced as some of our colleagues that the results of the negotiations are all that positive, if for no other reason than because certain problems have emerged and have yet to be resolved that are tremendously significant and on which we need to reflect. In the first place, all the measures aimed at reducing tariff and non-tariff barriers are of rather limited scope, inextricably linked as they are to international economic trends — for example monetary trends. As a result, these measures assume a certain instability, making it extremely difficult to judge categorically in their favour, as some believe they can.

Secondly, on the question of the codes — I am just touching on the main points, Mr President, because I know my time is limited — nowhere can we see any guarantee of international monitoring.

And thirdly, as has already been mentioned, the question of the safeguard clause remains unresolved.

One final observation. The GATT negotiations have served to emphasize once again — not that there was any need to as we knew it all along — just how inseparable is the commercial policy from the economic policy and the industrial restructuring policy. This link has been convincingly brought to our attention here in this debate. And so any separate implementation, or development, or even assessment in a matter like this is unthinkable without a knowledge of what lies behind it all. We come back again, therefore, to the need to give an overall assessment of certain aspects — like the one I mentioned, of industrial restructuring — which as far as we and indeed many others in this Parliament are concerned cannot be a favourable one.

In conclusion, we propose to abstain from voting because we attach enormous importance to the GATT negotiations, with all their ramifications, and because to us they are an essential part of our overall view of Community policy. There are also other reasons which, as I said earlier, have their basis in the substance of the matter and I will mention just one, because I cannot repeat them all. I refer to the inadequacy of the whole spectrum of the negotiations with the Third World countries and to their dissatisfaction with the outcome.

And the fourth reason why we feel we have to abstain is that we object most strongly, as always, to the system whereby, whatever the matter put before it, the European Parliament is expected to rubber-stamp — what the real consequences of this are is another question — pre-established and irreversible decisions without being given any say in the decision-making process.

Mr President, I believe it is fitting that this debate should come at the end of a day that has witnessed a

**Carettoni Romagnoli**

blow for independence by this Parliament, an act that shows its will to have greater responsibility.

**President.** — I call Mr Seal.

**Mr Seal.** — Mr President, my comments on GATT may be regarded as negative after those of some of the other speakers. But this is not because I do not think there have been any steps forward in the negotiations, but because I am not happy with the whole framework in which these negotiations have taken place. To me the issue should not be one of free trade versus protectionism, but of free trade versus planned trade. And trade planning will not go away. If governments do not plan it, then the multinationals will.

In spite of six years of negotiations, the final conclusions of GATT leave a lot to be desired, and this is not reflected adequately in the motion for a resolution. If we adopt all the paragraphs with the exceptions of Nos 1, 9 and 11, I feel the motion will be vastly improved. Part of this motion is slanted against the Comecon countries without giving a proper balanced view of the negotiations. It was not only the state-trading countries who refused reciprocal concessions. So did New Zealand, so did South Africa and so, Mr Stewart-Clark, did Australia. They did so mainly because of the refusal of the EEC negotiators to allow Common Agricultural Policy to be called into question during those negotiations. That is why Australia refused reciprocal concessions. This was in spite of everyone's acceptance that the Common Agricultural Policy should be changed, that it must be reformed. It is essential that in any motion that is adopted by this Parliament we are not biased. Consequently, I ask that Amendment No. 6 be adopted by this Assembly.

It is obviously advantageous for anyone to have a stable framework for world trade, but the best system is not free trade. In fact a framework of free trade would only exacerbate the glaring inequalities which exist at present between the rich and the poor nations. The original GATT recommendations recognised the need for special measures to help remove some of these inequalities. And yet no progress at all has been made in this direction. If progress is to be made in reducing these inequalities then we need a new economic order. This must be stated in the motion. This is why we want to reinstate Sir Fred Catherwood's original paragraph on this clause. And so we put forward and ask for the adoption of Amendment No 8. The Commission for its part does not even seem to recognise the necessity for mentioning this as one of the long-term aims.

Mr President, it is important that I refer to paragraph No 17. As someone representing a party committed to opposing the extension of this Assembly's powers at the expense of national parliaments, I cannot agree to this paragraph if a procedure for formal ratification, as it is stated, means more than merely organizing the trade

agreements so that Member States' governments can ratify their own sections. I know there was some difficulty and some discussion on the difference between the translation of 'ratified' as between the German and the English texts. But whatever the translation is, Mr President, this must be a process that is dependent upon individual Member States and does not in any way supersede the Member States.

Now, in spite of the time taken to complete this Tokyo Round, Amendment No 11, even as partially amended by the European Democrats — and to me the European Democrats sound very much like British Conservatives shows that they want to extend the whole concept of GATT, having failed in the United Kingdom to get their outworn, discredited, monetarist ideas to work in practice. What they want to do now is try again, but this time in the developing countries. We must reject Amendment No 11. Even as amended, it has nothing at all to do with GATT, and certainly it has nothing to do with tariffs. It merely reflects their own biased economic ideas, and certainly the Labour Members will not support this amendment, even as worded?

Tariffs are part of trade planning, and this should be part of the overall democratic regulation of our economies. In this we must ensure that we preserve and support our manufacturing industries, particularly our basic manufacturing industries. The textile industry is one in which I have a special interest. It is an industry of which I have detailed knowledge of the effects of trade agreements, and it will be particularly hard-hit by these GATT negotiations. It is all very well to discuss free trade and free competition in abstract terms. It is all very well to discuss these things in theory, but in the world of real competition between nations, each nation sets out to promote and protect its own interests. And in the world we live in, a world of dumping, of subsidies, of selective tariffs and of subsistence wages, it is those people who try and stick by this myth of the free markets who suffer. In textiles my constituents are losing jobs at the rate of more than 500 per week, and this is as a result of unfair competition from other countries. In textiles I must admit the Commission have been extremely generous. They have been extremely generous with the livelihoods of other peoples, particularly in their terrible negotiations with the USA. The Community textile tariffs after this Tokyo Round remain 20 % below those of the United States. And in the case of woolcloth textiles, even though the tariff is to be cut by the US by 30 %, it will still be 33 % as opposed to 13 % within the Community.

Mr President, if we look at the United Kingdom's Government White Paper which was issued in October we read, and I quote

The Community has reserved its right to withdraw textile tariff concessions in the absence of a mutually acceptable arrangement regarding international trade in textiles.

## Seal

In view of the effect the USA is having on our synthetic textiles, and particularly on our wool textiles, I call upon the Commission to withdraw these textile tariff concessions at once, before our wool textile industry disappears completely.

I should like to conclude, Mr President, by summarizing some of the things I feel are wrong with this set of GATT negotiations. There has been very little progress made on agricultural trade agreements. This is because of the Community's intransigent attitude on the Common Agricultural Policy. They would not give way, and they should have done. Some tariff reductions are insufficient, particularly those I have exemplified in textiles. There should be much more help for the less-developed countries, and this is not covered in the GATT negotiations. But more important than all of these, there must be an adequate follow-up procedure. I do not care what name you give to the body that does this, but it certainly must be effective and it certainly must be efficient. We as an Assembly must reaffirm our belief in the need for an orderly and planned framework for world trade. We must note the need for a lasting and just solution, particularly in relation to policies, and we must adopt radical policies as between North-South and East-West. We have a lot of problems facing the world today and certainly, Mr President, these will not be solved by the present GATT negotiations.

**President.** — I call Mr Enright.

**Mr Enright.** — Mr President as I understand it, I have about 2 minutes left; but in any case I feel very much like Cinderella, except that my clothes have been stolen before midnight has arrived.

I would like to talk specifically about Amendment No 10, and attempt not to repeat some of the splendid things that Comrade Seal said during his speech.

First of all I would like to make a complaint. This Parliament has complained throughout this debate that it has not had the time to look at what happened in the Tokyo Round, and I have to say to you, Mr President, that in fact the Committee on Development and Cooperation, which is always the last committee, it is always the poor relation, was in no way consulted about this. Yet it is clearly crucial for the Third World, for the least-developed countries, that trading matters be considered. It is fine to appeal for food aid, it is fine to send out money suddenly during an emergency, but the really crucial question is whether we apply trade agreements properly within the Third World.

I would, in this brief contribution, like to give you a few straightforward statistics concerning what happened after the Kennedy Round. After the Kennedy Round, the average tariff was 11.1 %, but if you go to the least-developed countries you will discover that in fact the average tariff for them was 22.6 %. So we can scarcely boast of being generous in any way. It is quite

clear that to a large extent we are in fact subsidizing ourselves from the Third World. Again, between 1970 and 1977 the debt that accrued to the least-developed world is in fact being subsidized at this moment by the least-developed countries, by those who cannot afford it. I think we ought also to say that by the very nature of their economies, they produce the goods which we now call under this agreement 'sensitive', and because these are sensitive goods it is quite clear from the Tokyo Round that we can take all sorts of actions under GATT.

Now let me take textiles, because this is an area which has been mentioned tonight and one which, at least in specific areas in the United Kingdom and certainly in my own constituency, in Batley and in Leeds, means tremendous unemployment. What really happens there? Where have the jobs actually been lost? It is part of the overall aroma, if you like, which is given out by the GATT negotiations that concerns me. It is very much like immigration restrictions: it is not that they keep people out, but they produce a feeling within a country which is, frankly, not helpful to good race relations. Similarly, in this particular area, it is not helpful to the Third World, to the people who are producing textiles, that our own people at home should get the impression that it is the Third World that is losing them the jobs. That is not the case: what is losing the jobs in textiles is, of course, above all, increased productivity, and that has been tremendous in the United Kingdom.

The second factor — and this has been mentioned tonight by Mr Welsh, by Mr Paisley and by my colleague, Barry Seal — is that when it comes to the stronger nations, such as the United States of America or the Comecon countries, we do not take the overnight measures which we do with the Third World and produce tomorrow an instant result: the negotiations drag on and on and on, as they have with the United States of America, and that is going to mean the loss of a lot of jobs — not to the Third World, it won't help them in any way, but it will help to enrich the United States of America. It is there that we have to take a tougher line, because that is part of the planning process for the Third World: it is their restrictions, just as much as our restrictions, that prevent real development.

So what basically has happened with the Tokyo Round has in no way been to make the Third World our partners. We talk about interdependence and we say what a marvellous thing it is, but when it comes to negotiations such as these, we do nothing whatsoever about it in practical terms, and that, I think, is the most deplorable part of the negotiations.

I think there is one further side-effect which I have not heard mentioned tonight, and that is the fact that under the generalized system of preferences we are in fact aiming to lower tariffs in this area; but, of course, as a

**Enright**

result of GATT, the differentials have been very considerably eroded, and that is in no way to the benefit of the least-developed countries.

Mr President, it is time that we stopped talking about relying on multinationals, because there is a real danger there of the democratic control going away from the people. This is the danger, whether it be in the United Kingdom or in the least-developed countries, and it is a problem which has to be faced. I must say there was some sensible talk about that point in the previous debate from the European Democrats, and this is precisely what must be done. Mr Welsh cannot talk glibly about multinationals solving the problem, because, far from doing that, all they are doing at present is selling people into serfdom. We know perfectly well that there are firms which are merely selling in Europe, selling and nothing else — Mr Welsh knows the examples as well as I do — firms which are making massive profits from very cheap labour paid at starvation wages. If you want to know about that, just look at tea, apart from textiles.

Mr President, I see that my time is up. I make the plea that we genuinely consider the Third World, the least-developed countries, who certainly do not feel that they have had a square deal, who have all sorts of barriers put in their way which are not apparent barriers: we are doing nothing for them, and it is crucial that we do.

I would like to emphasize once again that the next time we have trade negotiations of any sort it is important that those negotiations be considered by the Committee on Development and Cooperation.

*(Applause)*

**President.** — I call Mr Haferkamp.

**Mr Haferkamp, Vice-President of the Commission.** — (D) Mr President, ladies and gentlemen, we have just had a general debate on the GATT negotiations and three regulations. Let me now say a few words about these three regulations. On the one hand, we have a regulation on buffalo-meat and a regulation on the importation of olive oil from the Maghreb countries and agricultural produce from Turkey. The Commission can accept the proposals presented in this connection and would like to thank the rapporteurs and all those who were involved in the work.

Unfortunately, I cannot deal as quickly with the regulation on a Community system of reliefs from customs duties. The provisions of this proposal affect the daily lives of the citizens of the Community. The Commission welcomes the fact that the parliamentary committees responsible have approved these provisions: they were right in saying that adoption of the regulation will be another step towards the approximation of laws and an extension of Community customs law. The

report contains a number of proposed amendments, some of which the Commission cannot endorse. The reasons for this are as follows: the first proposed amendment relates to Article 2, which provides for the duty-free import of commercial consignments by letter post or postal packages containing goods of total value not exceeding 10 EUA.

The Committee on External Economic Relations proposes that the limit be raised to 20 EUA. What are involved here are commercial transactions which encompass the wide field of mail orders. The Commission's intention in this proposal was to simplify administrative procedures and so prevent collection costs from exceeding customs levies. The intention was not to help consumers who, under this special sales system — i.e., mail order — purchase goods from non-member countries. Increasing the limit to 20 EUA would mean going further than simplification and could have unexpected economic consequences in the field of trade.

Proposals have been made to amend Article 23 and Article 9, which provide for the free circulation of personal effects or inherited goods. The Commission has proposed that effects which are in the course of removal or have been inherited should be retained by the person concerned for twelve months. The two main considerations here are as follows. First, the need for a certain balance in the provisions governing the various situations involving the duty-free import of personal effects. In all these situations it should be stipulated that the person benefiting from customs duty relief must keep the imported personal effects for twelve months. If a shorter period of time were prescribed for personal and inherited effects alone, the balance would be upset. Secondly, we feel that the proposed regulation, which governs the Community's relations with non-member countries, cannot provide for more favourable treatment than those which govern relations between the Member States of the Community. In the latter, a period of twelve months is also stipulated, and we feel that the provisions which govern the movement of goods between the Member States should apply also to goods imported from non-member countries. We hope you will understand, therefore, that we would like to leave this section of the proposal unchanged.

Another proposal for amendment concerns Article 41, which deals with the value of goods contained in travellers' luggage. We believe that goods up to a value of 40 EUA should be imported duty-free, while the committee has proposed that this limit should be raised to 100 EUA. The figure of 40 EUA already features in a whole series of existing Community regulations. The rules proposed here should be seen in the more general context of existing customs and tax provisions. In our view, this figure should not be changed in one particular instance. In December 1978, there was an exhaustive debate in the House on this matter. After long discussion a compromise was reached, and we feel that

### Haferkamp

it should not now be called into question in this particular respect. However, we are fully prepared to raise this matter again at a later date as part of a more extensive review of the situation.

So much for the regulations.

I should now like to turn to the GATT negotiations and to thank the House for the positive assessment it has made of the achievements of my predecessors and staff in this field over the last few years. I should also like to express my appreciation of the many discussions we have had on this subject in the European Parliament and its committees over the past few years, and particularly of your support for the Community's position in the national parliaments and in public fora. In today's debate a number of topics have been discussed, each of which I regard as so important as to warrant a separate debate, and I hope we shall have such debates in the very near future on, for example, our relationship with the United States, Japan, EFTA, Australia and New Zealand, Comecon and Latin America. I cannot give an exhaustive list here, but I should be very pleased if — particularly when special circumstances warrant it — we could discuss here and in the committees the wide-ranging issues of the developing countries, working conditions, protective clauses, external relations in important sectors of our economy — notably the textile sector, which was mentioned here — and, in greater detail, trade policy principles, for example as regards open and fair world trade, necessary protection against economic and social dangers or the relationship of the Community's trade policy to the individual activities of the Member States, which very often impede one another.

I have cited only a few topics here, and I am convinced that very soon we shall be dealing with these intensively and systematically. The importance of the Tokyo Round negotiations for world trade has been underlined, as has their significance for the Community as the largest trading partner in the world. As is always the case in such matters, many different interests had to be taken into account. Naturally, we were concerned primarily with our own interests. Our goals were, for example, the security and improvement of our sales outlets on the world market. Why? Everyone knows the reason. We need them in order to pay for our oil and raw materials and to safeguard employment. Our goal was to achieve, through negotiation, the same GATT rules for all the industrialized countries. I believe we have achieved this goal. We wished to make the GATT rules reflect the new situation. This task has not yet been completed. The work must go on. I believe we have made substantial progress in this connection. Our wish was to promote world trade — at a difficult time — by reducing customs duties and dismantling non-tariff barriers. We all know that these barriers have increased in significance with the reduction of customs duties.

Our goal was to include agriculture and, of course, we wished to take into account the special problems of the developing countries. We have not achieved all of this, but we can say that we have achieved a balance which takes account not only of our own interests but also of those of our partners.

Let me comment briefly on the developing countries. The customs duty reductions agreed on by the industrialized countries also benefit the developing countries, which have had to make practically no concessions in return. The industrialized countries have explicitly granted the developing countries two important exceptions to the most-favoured-nation principle. The former can give imports from the latter preferential treatment, and this we do.

Second, the developing countries are free to offer each other better trading conditions than the industrialized countries. Finally, all the agreements on non-tariff barriers impose less strict rules on the developing countries than on the industrialized countries. As you know, this is only part of the Community's overall development policy. However, I should like to say in this connection that we would appreciate the active cooperation of the developing countries in GATT. We understand many of their hesitations and appreciate that they have had a lot of difficulties in the course of the negotiations. However, the best way to improve something is to become involved, and GATT will certainly not improve the situation for the developing countries if they remain outside. In implementing the GATT provisions we hope to obtain the active participation of the developing countries, and we will do everything we can to make this easier for them and also to convince them that it is to their advantage.

Gatt must be strengthened as an international organization. Its task is to ensure that rules are observed in international and world trade and that international discipline obtains and is respected in trade. GATT is often criticized and attacked, as indeed it has been this evening in some of the speeches.

I would ask those who attack GATT to imagine what the situation would be if this institution did not exist. In my view, we would have got stuck in the mire long ago — and perhaps even gone back to the 1930s — given the economic difficulties facing the world over the past few years. We should therefore do everything we can to strengthen this institution. It is in our interests to ensure that the rules are adhered to and the procedures respected. In this way we shall achieve greater security for world trade at a time of great uncertainty in world economic affairs, and this is certainly also a decisive factor in safeguarding employment in our countries?

The importance of implementing and enforcing the results of the negotiations has already been mentioned. I would just like to add that for many months now we have set particular store by ensuring that the results of

## Haferkamp

the negotiations are implemented fully and properly. In the debate this evening, a Member of this House wrongly asserted that the United States had not adopted the results of the negotiations when they were being ratified by Congress and Senate. We have gone into this very matter in great detail, we have held a series of discussions lasting many months and have given the matter special priority both inside and outside the Community. Because we set such great store by a full, proper and timely implementation of what was agreed in the negotiations, we are grateful that the European Parliament has been quick to approve the results as recommended by the committee.

The Community's international obligations are listed in paragraph 2 of the motion for a resolution. As you know, these measures and international obligations are scheduled to come into force on 1 January 1980. A lot of internal work has still to be done on this in the final weeks of 1979: for example, the adjustment of the Community's legal texts so that we can fulfil the said international obligations. The Commission will do everything it can to ensure that these measures enter into force before the end of the year. We will keep you informed as to whether the GATT obligations are fulfilled within the prescribed period and how they are met in the future.

I should like to thank Sir John Stewart-Clark for his comments on the annual report. We will do everything we can to publish this report with the limited staff available, and in the course of the continuous dialogue with your committee, Sir Fred, we will report on the implementation of the GATT negotiations. I should like to thank you again for approving the negotiation package presented to you.

Finally, I should like to comment on future procedure. The Commission would be pleased if the European Parliament could play the increasingly important rôle which falls to it with regard to international trade negotiations. It would welcome — and indeed regards as necessary — closer involvement by Parliament in this field of genuine Community responsibility. Here again, we have an important point which has already been discussed in another connection in this House today — namely, that political views should take precedence over the experts' approach, particularly in the Community. It will undoubtedly take time to introduce formal rules in this respect. However, you can be sure that from now on the Commission will be at the disposal of this House and particularly of its appropriate committees and will lend practical support to your desire for greater involvement in our international negotiations and in governing our international relations.

(Applause)

**President.** — The debate is closed. The motions for resolutions will be put to the vote at the next voting-time.

15. *Allowances and representation expenses of Members of the Commission*

**President.** — The next item is the report by Mr Key, on behalf of the Committee on Budgetary Control, on the special report by the Court of Auditors, requested by Parliament, on the 1977 and 1978 accounts relating to the allowances and representation expenses of Members of the Commission and their mission expenses (Doc. I-537/79).

I call Mr Key.

**Mr Key, rapporteur.** — Mr President, I do recognize the lateness of the hour, but I also recognize that some of the people concerned have been involved in a quite historic day in this parliament. But I feel that this report deals with a highly sensitive, and in many ways a rather awkward subject. But I think it is a vital subject for this House, because to my mind, and to many other colleagues, nothing undermines public confidence in the Community institutions more than the abuse of money appropriations in what I can well term a rather cavalier manner.

However, the manner in which the report has been drawn up, and indeed its content, reveal to me, and to many others, how open and democratic our Community institutions can be. The report shows that there were indiscretions in the matter of the use of mission allowances. Clear rules were not drawn up for the implementing of certain budget lines. The rules that covered some of the expenditure concerned fell into abeyance. We now find that repayments must be made by some Members of the Commission.

I do not want to talk about flowers or whisky, or issues like that: that has already been dealt with by what is termed the 'popular press' in the nicest manner.

Our job here is to look at the substance, to look at the future, and parliamentary control of the Commission and the Community, and to represent that aspect of it to the electorate. To put it into a nutshell: a situation arose within the Community where malpractice and excesses gave one sector of the media a field day for exaggerated rumours about the matter.

Before I go into the content of my report, I would like to make some comments about the committee system of this House, and the very dignified reaction of the President of the Commission in this whole affair. The Parliament has a very special role in regard to the control of public expenditure, to seeing to it that the budget, as adopted, is fully and properly implemented. The prime responsibility for carrying out this supervisory role had been delegated to the new Committee on Budgetary Control. As a new Member of this House, I would like first to put on record the extensive help I receive from the Court of Auditors,

## Key

from my colleagues on the committee, and from the secretariat. The preparation of the report was a joint effort, as committee work should of course be; all the colleagues present at the meetings made very positive and constructive contributions to this text. Indeed, many former Members of this House made contributions and gave me advice. Only last weekend my fellow contrymen and fellow Socialist, John Prescott, explained to me how one Commissioner — and the only name I will use in this context is Mr Gundelach — by the very sensible use of air taxis, was able to visit Mr Prescott's home town of Hull on two missions, and give very valuable help and service to the fishermen in his constituency. In particular, I would also like to thank Mr Aigner — and I am sorry he is not here tonight — who steered the long and at times difficult debate for the committee. Of course, we all know that Mr Aigner is a veteran of parliamentary procedure, and we must give him credit for the work he has done to ensure that the control of public expenditure has now a very central place in Parliament, as originally envisaged by the Treaty.

Secondly, I must indicate my formal appreciation, and that of my colleagues, for the manner in which Mr Jenkins, in his capacity as President of the Commission, came before the public meeting of the Committee on Budgetary Control to answer the questions put to him by the elected representatives of the taxpayer. His answers were frank, comprehensive and helpful, and revealed that no longer would we operate behind closed doors. For to me, it is in secrecy that abuse and mismanagement can flourish. I think that was a marvellous example of how opening this Parliament to the glare of publicity, to the accountability of the public and parliamentarians can only be for the benefit of this Community.

*(Applause)*

I do not want to go into the matters at issue at great length. A full explanation is set out in the report, and is now before this House. Many of you have probably already read what is termed the 'juicy parts' in certain international magazines.

However, to recapitulate: some Members of the Commission were very careless in the use of their appropriations. Air taxis were used without following the appropriate procedures. The situation as described in my text is regrettable, because it provided those hostile to this Community — and to democratic institutions — with damaging material to attack the Community and its institutions. It also weakens the case being made by Parliament regarding the right of the Commission to implement the budget in accordance with the will of the budgetary authority. The Commissioners who were found to be in breach of the rules have commenced to make repayments, and I hope this procedure will be completed shortly. It was decided by the committee on budgetary control that Mr Battersby, as the rapporteur for the discharge of the

1978 budget, should verify these payments when he prepared his report on the Community's accounts for 1978.

Moderation and reality must be the motto of all public servants. One may be called a puritan, but it is the vital role of all elected parliamentarians to ensure that the taxpayer's money is not only spent wisely, but that the expenditure can be justified to the public and to the media.

To avoid similar awkward situations arising in other institutions of this Community, the chairman of the Committee on Budgets and myself have urged all institutions in writing to adopt appropriate watertight rules as soon as possible. This call has been heeded so far by the Court of Auditors, the Court of Justice and the Economic and Social Committee. I understand that an answer is now being drafted by Parliament itself. The Council has not yet responded.

To me, all political institutions — and in particular ours — must be like Caesar's wife, and be beyond reproach. In June 1980, a further report will be prepared by the Control Committee setting out its review of the position in regard to the operation of the new rules within the Commission during the first four months of 1980. I should say that Parliament's disapproval of what happened is generally reflected in the cut of 37 000 units of account in the appropriations voted by this House on 7 November. To me, it is typical of the slapdash attitude of the Council to the 1980 draft budget that they should have rejected this amendment, which would indeed have saved them money — as they claim was their intention.

There is only one other specific matter to which I should like to refer. During our discussions in the committee on this whole affair Mr Notenboom suggested that a review of allowances of all Members of the Commission should be undertaken over the next 12 months. He had a degree of rationalization and consolidation in his mind, for he wanted the review to be completed before the new Commission is appointed. This to me is an excellent idea, and I hope Parliament will take it up.

To conclude: The explanatory statement reflects the considered views of the committee and my colleagues; the motion for a resolution is not complicated. I therefore recommend this report to the House for its endorsement, and I hope that colleagues will accept the points raised in it in the spirit in which they were put, both inside the committee, and by the Members of the Parliament.

*(Applause)*

President, — I call Mr Wettig to speak on behalf of the Socialist Group

**Mr Wettig.** — (D) Mr President, ladies and gentlemen, in view of the late hour and Mr Key's detailed explanatory statement on behalf of the Committee on Budgetary Control, I should like to say only a few words on behalf of the Socialist Group. We are dealing with a very unusual topic which has justifiably aroused great public interest: with this report we are winding it up in a way that the public has been led to expect from this newly-elected Parliament.

I should like to reiterate a number of important points on behalf of the Socialist Group. First, the violations which have been discovered make it clear to all institutions of the Community that a vague attitude towards expenditure which is not governed by fixed rules must inevitably have legal and political consequences.

Second, as a result of discussions with the committee the Commission alone has adopted the necessary rules for its operation — rules which, through oversight, had not been adopted previously or which had left many points unresolved. As a result of these discussions, other Community institutions will probably adopt similar rules. When future reports on giving a discharge for the budget are being prepared, the Socialist Group will insist that all the Community institutions do in fact present such rules and, in particular, that the rules are not applied differently in each individual Community institution but are harmonized throughout the Community.

It will also be important for all the institutions — primarily the Commission, which we are discussing here — to show that they are indeed adhering to these rules. We shall investigate very carefully whether this is the case when giving a discharge.

Fifthly — and to me this is the most important result of this debate — the directly-elected Parliament has shown the public very clearly that it takes its responsibility as a control body seriously. It is immensely important for these citizens to see not only that this Parliament possesses rights of control but also that it uses these rights in practice.

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

**Mr Notenboom.** — (NL) Mr President, this sensitive subject is the last item for discussion today. The interaction or overlapping of private life and work is always a delicate matter, but alas, the Commission has gone too far.

The special Court of Auditors' report was published at the request of the body responsible for exercising political control — namely, our directly-elected European Parliament. In the light of this report, the Commission itself drew up rules and refined and tightened up those already in force. Money has been

repaid, as indeed it should be. I find it rather shameful that it should be necessary to have detailed rules governing matters in which people in high office should show moderation of their own accord, as indeed has often been the case. The professional lives of senior officials, which is what the members of the Commission are, are so bureaucratized that they themselves often do not realize whether they should ultimately pay or charge it to expenses, but they are nevertheless responsible. They are also responsible for the atmosphere at the highest level, which is partly inherited from their predecessors. Over the years, a certain attitude of mind has emerged which must be halted at some stage. The expense-account mentality must now be done away with, even though the amounts involved are exceedingly small in comparison with the importance of the work. Public funds are at stake. None of us, certainly not those who are in positions of authority, can afford to let ourselves become too far removed from the average citizens of the Community, whom we all wish to serve. Those in the corridors of power should be reminded of the matter once again, since under the pressure of day-to-day work those in authority are not themselves always aware of what is happening.

The Group of the European People's Party deeply regrets what has happened. It has unfortunately been witness to the in part unfair publicity which, *inter alia*, has helped to harm the European cause. My group would like to thank the Court of Auditors, which drew up the report, and the rapporteur, who prepared the motion for a resolution and this evening gave an excellent speech in keeping with the delicacy of the matter. We agree with the measures approved and now implemented by the Commission under the leadership of President Jenkins, who in fact conducted himself with great dignity in the public meeting. In conclusion, my group expresses the hope that all of us, not just the Commission, have learned something which will be to the advantage of the European Community as a whole.

(Applause)

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

**Mr Kellett-Bowman.** — Mr President, the Key report is the first example of the new Budgetary Control Committee's work. We were alerted that all was not well in the area of Commissioner's expenses. The committee has investigated these allegations; in fact we held, as has been described, a public meeting. The establishment was apprehensive about the whole idea of coming out in public, but the media pushed us towards that. As has previously been said, the President himself submitted to rigorous questioning, and came well out of the ordeal.

We in the European Democratic Group feel that public figures should behave with probity in these matters. But with doubts having been aroused, a code of conduct has been volunteered by the Commission itself, and with a

**Kellet-Bowman**

few modifications from the Committee on Budgetary Control, I believe that we have found the answer to that problem. Thus that new committee has carried out its role, and this is the first of many reports. I noticed in the budget debate, and in the supplementary budget debate, several calls for enquiries to be made in the agricultural sector. Rest assured, Mr President, we readily accept this responsibility. The fruits of our work should be a more efficient, less wasteful, more competitive and less vulnerable Community.

*(Applause)*

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, I would like to thank those speakers who have kept their remarks so brief in order that we may finish this debate before the witching hour, which is now very close indeed. I will, I hope, not take the time of the House for more than a few moments, but this is an important subject. Though we have had a brief debate tonight, it is a subject which has been of some concern for some time. Therefore I feel I ought to deal with it as thoroughly as I can.

First of all, as I told the House when I myself was dealing with this matter earlier on, the Commission from the outset welcomed the proposal to seek a report from the Court of Auditors on the matters which are currently under discussion. We have acted promptly and, in my view, effectively to put right the deficiencies and weaknesses revealed in our arrangements by the Court. The Commission received the Court of Auditors' report formally from the Parliament on 28 August, considered it in detail in early September, decided upon a comprehensive revision of our procedures on 19 September and brought the new procedures into effect on 1 October. Since then the President of the Commission has been able to discuss the new procedures with the Committee on Budgetary Control which, I believe, generally accepted that they represented a marked strengthening and clarification of our arrangements.

Second, as the Committee on Budgetary Control has itself made clear, we are here concerned with only a very small proportion of the total Community budget. Moreover it confirmed, like the Court of Auditors in its report, that the greater part of the expenditure involved was incurred properly and in accordance with the rules. That is not to say either that this matter is unimportant or that it should not be brought under proper control. On the contrary, like Mr Key and other people who have spoken in the debate, I firmly believe that the expenditure of the Commission, for whatever purpose, should be accounted for, as Mr Notenboom says. That is the objective and purpose of the decisions which the Commission has now taken and implemented. The report of the Court of Auditors and the Commission's response to it should be seen as part of the process of

making the Community's institutions more accountable in the way that Mr Kellett-Bowman has recommended.

I now turn to the detailed points contained in the resolution. The first four paragraphs in the resolution concern a number of irregularities revealed by the Court in the course of its examination. The Court indicated in its report where in its view, the Commissioners should repay expenditure claimed on expenses in 1978. The Commission has already acted to make the necessary repayments and will furnish the Court of Auditors with the necessary details so that this matter can be finally cleared up in the context of the 1978 discharge, when Mr Battersby will be involved.

Paragraph 5 of the resolution indicates that the Committee on Budgetary control will review the operation of the new procedures implemented by the Commission in the light of some months' practical experience. The Commission will be ready during the course of 1980 to furnish the appropriate figures to the committee indicating the level and nature of expenditure under budget headings 1300 and 2400.

Paragraphs 6 and 7 of the resolution call for a stricter discipline on the hire of air taxis and on mission expenditure generally. This is the principal objective of the new procedures adopted by the Commission. The House may welcome an indication of the extent to which we have already achieved stricter control over this item of expenditure in 1979. The Commission's expenditure on air taxis for 1979 will amount in total to about 10.4 million Belgian francs, a reduction over 1978 expenditure of 45 per cent. The Commission's intention is to ensure that in 1980 its total expenditure on air taxis does not exceed a total of 12 million Belgian francs. Our expenditure on missions will, on the latest available information, be kept within the total 1979 budgetary allocation under budget heading 1300. This includes the absorption of 4.6 million Belgian francs overspent in 1978 and carried forward into the 1979 accounts. It means that the Commission's total mission expenses for 1979 can be expected to show a reduction over 1978 of about 20 %.

Finally, Mr President, I can also assure the House that the Commission's expenditure on representation under budget heading 2400 will be contained within the total budgetary allocation and, in the case of each Commissioner, within the individual ceiling set by the Commission at the beginning of the year.

The final paragraph in the resolution presented by the Committee on Budgetary Control is directed towards establishing common rules on expenditure of this kind applicable to all the institutions of the Community. I understand that the recent report of the Court of Auditors for 1978 included a number of observations and recommendations on the procedures applied by all the institutions, including the Commission, in relation to this expenditure. I also understand that following a

**Tugendhat**

suggestion from the chairman of the Committee on Budgetary Control, the Clerk of the Court of Justice has taken the initiative to organize some preparatory work. The Commission would be ready to give its support to this work and to participate fully in it, once there is an agreement among all the interested Community institutions to pursue the initiative.

I think it is absolutely 12 o'clock on the dot, Mr President.

*(Applause)*

**President.** — The debate is closed. The motion for a resolution will be put to the vote during the next voting-time.

16. *Agenda for the next sitting*

**President.** — The next sitting will be held tomorrow, Friday, 14 December 1979, with the following agenda:

9 a.m.:

- procedure without report
- decision on the urgency of one motion for a resolution

10.30 a.m.: voting-time

- Beumer report on turnover taxes
- Remilly report on emulsifiers and other agents in foodstuffs
- Newton Dunn report on chlorofluorocarbons in the environment
- Jürgens report on dried fodder
- Buchou report on assistance for the exportation of agricultural products
- Maher report on a national aid for milk producers in Northern Ireland
- joint debate on two motions for resolutions on pollution of the Rhine
- motion for a resolution on the tragic plight of refugees in the Horn of Africa
- Plumb report on seed potatoes (without debate)

*end of sitting:* voting-time.

The sitting is closed.

*(The sitting was closed at 12 midnight)*

## SITTING OF FRIDAY, 14 DECEMBER 1979

## Contents

1. Approval of the minutes .....	264	Mr Jürgens, rapporteur .....	275
2. Documents received .....	264	Mr Burke, Member of the Commission .....	275
3. Petitions .....	265	10. Regulation on the granting of assistance for the exportation of agricultural products — Report by Mr Buchou on behalf of the Committee on Agriculture (Doc. 1—553/79)	
4. Procedure without report .....	265	Mr Burke, Member of the Commission .....	276
5. Decision on urgent procedure .....	265	11. Decision concerning a national aid to milk producers in Northern Ireland — Report by Mr Maher on behalf of the Committee on Agriculture (Doc. 1—565/79)	
6. Directive on turnover taxes — Report by Mr Beumer on behalf of the Committee on Economic and Monetary Affairs (Doc. 1—550/79)		Mr Maher, rapporteur .....	276
Mr Beumer, rapporteur .....	265	Mr J. D. Taylor (ED); Mr McCartin (EPP); Mr Paisley; Mr Tugendhat, Member of the Commission; Mr Blaney .....	276
Mr Burke, Member of the Commission .....	266	12. Membership of committees .....	279
7. Directive on emulsifiers, stabilizers, thickeners and gelling agents for use in foodstuffs — Report by Mr Remilly on behalf of the Committee on the Environment, Public Health and Consumer Protection (Doc. 1—551/79)		13. Votes	
Mrs Maij-Weggen (EPP); Mr Sherlock (ED); Mr Burke, Member of the Commission .....	267	Von Bismarck report (Doc. 1—559/79): Economic situation in the Community:	
8. Decision on chlorofluorocarbons in the environment — Report by Mr Newton Dunn on behalf of the Committee on the Environment, Public Health and Consumer Protection (Doc. 1—570/79)		Amendment to paragraph 1:	
Mr Newton Dunn, rapporteur .....	268	Mr von Bismarck, rapporteur .....	279
Mr Ghergo (EPP); Mr Muntingh (S); Mr Sherlock (ED); Mr Ceravolo (COM); Mrs Dienesch (EPD); Mrs Weber; Mr Johnson; Mr Collins, chairman of the Committee on the Environment, Public Health and Consumer Protection .....	269	Amendment to paragraph 3:	
Procedural motion: Lord Harmar-Nicholls ...	273	Mr von Bismarck .....	279
Mr Newton Dunn; Mr Burke, Member of the Commission .....	274	Amendment after paragraph 3:	
9. Regulation on the market in dried fodder — Report by Mr Jürgens on behalf of the Committee on Agriculture (Doc. 1—564/79)		Mr von Bismarck .....	279
		Amendments to paragraph 4:	
		Mr von Bismarck .....	280
		Amendments after paragraph 4:	
		Mr von Bismarck .....	280
		Amendment to paragraph 5:	
		Mr von Bismarck .....	280
		Amendment to paragraph 6:	
		Mr von Bismarck .....	281
		Amendment to paragraph 7:	
		Mr von Bismarck .....	281

<i>Amendments to paragraph 9:</i>		<i>Adoption of the resolution</i> .....	288
<i>Mr von Bismarck</i> .....	281	<i>Carettoni Romagnoli report (Doc. 1-546/79): Imports of certain agricultural products from Turkey and the Maghreb countries</i> .....	288
<i>Amendments to paragraph 10:</i>		<i>Adoption of the resolution</i> .....	288
<i>Mr von Bismarck</i> .....	282	<i>Giummarra report (Doc. 1-548/79): Community system of reliefs from customs duty</i> .....	288
<i>Amendments to paragraph 12:</i>		<i>Adoption of the resolution</i> .....	288
<i>Mr von Bismarck</i> .....	282	<i>Key report (Doc. 1-537/79): Allowances and representation expenses of Members of the Commission</i> .....	288
<i>Amendment after paragraph 12:</i>		<i>Adoption of the resolution</i> .....	288
<i>Mr von Bismarck</i> .....	282	<i>Beumer report (Doc. 1-550/79): Directive on turnover taxes</i> .....	288
<i>Amendment to paragraph 13:</i>		<i>Adoption of the resolution</i> .....	288
<i>Mr von Bismarck</i> .....	283	<i>Remilly report (Doc. 1-551/79): Directive on emulsifiers, stabilizers, thickeners and gelling agents for use in foodstuffs</i> .....	288
<i>Procedural motion: Mr Coppieters; Mr Klepsch; Mr Pannella</i> .....	283	<i>Amendment to the proposal for a directive:</i>	
<i>Explanation of vote:</i>		<i>Mr Remilly, rapporteur</i> .....	288
<i>Mr Moreau</i> .....	283	<i>Adoption of the resolution</i> .....	288
<i>Procedural motion: Mr Arndt; Mr De Goede</i> ..	284	<i>Newton Dunn report (Doc. 1-570/79): Chlorofluorocarbons in the environment</i> ....	288
<i>Adoption of the resolution</i> .....	284	<i>Amendment to paragraph 1:</i>	
<i>Ferri report (Doc. 1-478/79): Intervention by Parliament before the Court of Justice</i> .....	284	<i>Amendment to paragraph 2:</i>	
<i>Explanations of vote: Mr Vernimmen; Mr Coppieters; Mr Megahy</i> .....	284	<i>Mr Newton Dunn, rapporteur</i> .....	288
<i>Adoption of the resolution</i> .....	285	<i>Adoption of the resolution</i> .....	289
<i>Catherwood motion for a resolution (Doc. 1-561/79): Results of the Tokyo Round</i> ....	285	<i>Jürgens report (Doc. 1-564/79): Market in dried fodder</i> .....	289
<i>Amendments to the fifth indent of paragraph 4:</i>		<i>Adoption of the resolution</i> .....	289
<i>Sir Fred Catherwood</i> .....	285	<i>Buchou report (Doc. 1-553/79): Assistance for the exportation of agricultural products</i> ..	289
<i>Amendment to paragraph 7:</i>		<i>Adoption of the resolution</i> .....	289
<i>Sir Fred Catherwood</i> .....	285	<i>Maher report (Doc. 1-565/79): National aid to milk producers in Northern Ireland</i> .....	289
<i>Amendment to paragraph 8:</i>		<i>Amendment after paragraph 3</i> .....	289
<i>Sir Fred Catherwood</i> .....	285	<i>Procedural motion: Mr Paisley</i> .....	289
<i>Amendment to paragraph 11:</i>		<i>Mr Maher, rapporteur</i> .....	289
<i>Sir Fred Catherwood</i> .....	286	<i>Adoption of the resolution</i> .....	289
<i>Amendment to paragraph 13:</i>		<i>Procedural motion: Mr Scott-Hopkins</i> .....	289
<i>Sir Fred Catherwood</i> .....	286		
<i>Procedural motion: Mr Patterson</i> .....	286		
<i>Amendment to paragraph 14:</i>			
<i>Sir Fred Catherwood</i> .....	286		
<i>Amendments after paragraph 15:</i>			
<i>Mr Welsh; Sir Fred Catherwood</i> .....	287		
<i>Amendment to paragraph 17:</i>			
<i>Sir Fred Catherwood</i> .....	287		
<i>Amendment to paragraph 18:</i>			
<i>Sir Fred Catherwood</i> .....	287		
<i>Adoption of the resolution</i> .....	288		
<i>Schmitt report (Doc. 1-545/79): Community tariff quota for frozen buffalo meat</i> .....	288		
		14. <i>Pollution of the Rhine — Motions for resolutions (Docs 1-592/79, 1-597/79 and 1-601/79)</i> .....	290
		<i>Mr Muntingh</i> .....	290
		<i>Mrs Maij-Weggen</i> .....	291
		<i>Mr Berkhouwer</i> .....	292
		<i>Procedural motion: Mrs Maij-Weggen</i> .....	292

<i>Mr Johnson (ED); Mr Wurtz; Mr Coppieters; Mr Schieler, Mr von Wogau; Mr Oehler; Mrs Moreau; Mr Tugendhat, Member of the Commission; Mr Pannella; Mr Sutra</i> .....	292	<i>Pollution of the Rhine</i> .....	298
15. <i>Refugees in the Horn of Africa — Motion for a resolution (Doc. 1-594/79)</i>		<i>Adoption of the resolution</i> .....	298
<i>Mr Vergeer</i> .....	297	<i>Berkhouwer et al. motion for a resolution (Doc. 1-601/79):</i>	
16. <i>Directive on the marketing of seed potatoes — Report by Sir Henry Plumb on behalf of the Committee on Agriculture (Doc. 1-595/79)</i> .....	297	<i>Pollution of the Rhine</i> .....	298
		<i>Adoption of the resolution</i> .....	298
17. <i>Votes</i>		<i>Personal statement: Mr Muntingh; Mrs Maij-Weggen</i> .....	298
<i>Muntingh et al. motion for a resolution (Doc. 1-592/79)</i>		<i>Vergeer et al. motion for a resolution (Doc. 1-594/79):</i>	
<i>Pollution of the Rhine</i> .....	297	<i>Refugees in the Horn of Africa</i> .....	298
<i>Amendment to paragraph 3</i> .....	297	<i>Adoption of the resolution</i> .....	298
<i>Explanation of vote: Mr Wurtz</i> .....	298	<i>Plumb report (Doc. 1-595/79): Marketing of seed potatoes</i> .....	299
<i>Mr Oehler</i> .....	298	<i>Adoption of the resolution</i> .....	299
<i>Adoption of the resolution</i> .....	298	18. <i>Political groups</i> .....	299
<i>Explanations of vote: Mr Enright; Mrs Maij-Weggen</i> .....	298	19. <i>Dates of the next part-session</i> .....	299
<i>Maij-Weggen et al. motion for a resolution (Doc. 1-597/79):</i>		20. <i>Approval of the minutes</i>	
		<i>Mr Balfour (ED); Mr Pannella</i> .....	299
		21. <i>Adjournment of the session</i> .....	299

IN THE CHAIR: MR VANDEWIELE

*Vice-President*

*(The sitting opened at 9 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 received*

President. — I have received:

- a) from the Council, a request for an opinion on the proposal from the Commission to the Council for a decision concerning an interim programme to combat poverty (Doc. 1-596/79)

which has been referred to the Committee on Social Affairs and Employment as the committee responsible and to the Committee on Budgets for its opinion;

b) the following motions for resolutions:

- motion for a resolution tabled by Mr Muntingh, pursuant to Rule 25 of the Rules of Procedure, on peat (Doc. 1-599/79),

which has been referred to the Committee on Energy and Research as the committee responsible and to the Committee on the Environment, Public Health and Consumer Protection for its opinion;

- motion for a resolution tabled by Mr Muntingh, pursuant to Rule 25 of the Rules of Procedure, on the setting-up of a North Sea Forum (Doc. 1-600/79)

which has been referred to the Committee on Regional Policy and Regional Planning for its opinion;

- motion for a resolution tabled by Mr Cottrell, Mr Forth, Lord O'Hagan, Mr Paisley, Mr Romualdi, Mrs Kellett-Bowman, Mr Hord, Mr Almirante, Mr Buttafuoco, Mr C. Jackson and Mr Marshall, pursuant to Rule 25 of the Rules of Procedure, on action by the European Parliament to support the European Court of Justice and the rule of law in the European Economic Community (Doc. 1-602/79),

**President**

which has been referred to the Political Affairs Committee;

— motion for a resolution tabled by Mr Sieglerschmidt, Mr Orlandi, Mr Pelikan, Mr Key, Mrs Castle, Mr Lezzi, Mr Seefeld, Mr Wagner, Mr B. Friedrich, Mr Schinzel, Mr Abens and Mr Seeler, pursuant to Rule 25 of the Rules of Procedure, on the Dublin agreement on the suppression of terrorism (Doc. 1-603/79),

which has been referred to the Legal Affairs Committee as the Committee responsible and to the Political Affairs Committee for its opinion.

**3. Petitions**

**President.** — I have received from Mr Bernhard Jansen a petition on freedom to provide services within the Community.

This petition has been entered under No 27/79 in the register provided for in Rule 48 (2) of the Rules of Procedure and, pursuant to paragraph 3 of that same rule, referred to the Committee on the Rules of Procedure and Petitions.

At its meeting of 20 and 21 November 1979, the Committee on the Rules of Procedure and Petitions considered Petitions Nos 8/78 and 10, 14 and 15/79.

Petition No 8/78 has been referred to the Committee on Transport for a supplementary opinion.

Petitions Nos 10, 14 and 15/79 have been referred to the Political Affairs Committee for its opinion.

The Committee on Social Affairs and Employment has, at its own request, been appointed to deliver an opinion on Petition No 29/78.

**4. Procedure without report**

**President.** — On Monday, I announced the title of the proposal to which it was proposed to apply the *procedure without report* provided for in Rule 27A of the Rules of Procedure.

Since no one has asked to speak and no amendment has been tabled to it, I declare this proposal approved by the European Parliament.

**5. Decision on urgent procedure**

**President.** — I put to the vote the request that the *Berkhouwer et al. motion for a resolution (Doc. 1-601/79): Pollution of the Rhine* be dealt with by urgent procedure.

The adoption of urgent procedure is agreed.

I propose that this motion be included in the agenda for today's sitting and be considered in joint debate with the other motions on the same subject.

Are there any objections?

That is agreed.

**6. Directive on turnover taxes**

**President.** — The next item is the report by Mr Beumer, on behalf of the Committee on Economic and Monetary Affairs (Doc. 1-550/79), on

the proposal from the Commission to the Council for a tenth directive on the harmonization of the laws of the Member States relating to turnover taxes, supplementing Directive 77/388/EEC, on the application of VAT to the hiring out of movable tangible property.

I call Mr Beumer.

**Mr Beumer, rapporteur.** — (NL) Mr President, a matter of some controversy is the question which criterion should be applied as regards the supply of services in a different Member State when it is a matter of movable tangible property used in that other Member State: in other words, where should such a transaction be taxed? The 6th VAT Directive states that the place of residence of the supplier of the service shall be deemed as the place of supply of the service. But in the case of the hiring out of movable tangible property this might lead to problems, and in addition the neutrality of the turnover tax system would not be guaranteed, certainly not if there are different VAT rates in the different Member States. In order to avoid this situation, Article 9 (2) (d) provides for an exception. It says that in such cases, the place of supply of the service shall be the place of utilization. Unfortunately, the application of this exception is not completely satisfactory. If a foreign supplier purchases the movable tangible property in the country in which the property is hired out, this may lead to distortions of competition — which we are doing our best to try to avoid.

These distortions of competition would be even greater if the 8th VAT Directive were adopted. This Directive lays down the arrangements for the refund of VAT to taxable persons not established in the European Community. However, if the 6th Directive were applied strictly, these problems need not arise. Article 4 of this Directive states that an economic activity carried on in a specific country — even, therefore, if carried on by a foreigner — must also be taxed in that country. Unfortunately, the Council could not reach agreement on this point and so specific solutions had to be found. The Commission then came up with this 10th Directive, claiming that it was an addition to the 6th, whereas your rapporteur believes that it is more in the nature of an amendment. After all, it is not just a question of a

**Beumer**

fictitious place-of-residence concept — i.e. creating a legal presumption that someone is resident in another country — the point, in fact, is also that the inclusion of the making available of movable property as a criterion for tax amounts to more than just an addition. I am not at all sure — because of control difficulties — that the advantages of settling things in this way outweigh the disadvantages of greater complexity and difficulty of supervision, because in fact it would mean using three criteria.

Another question that arises here is whether, if new backdoor deals are discovered (and there is a good chance of this happening), we shall not have to hammer out other criteria and whether the problem will not become even more difficult, particularly for the taxation departments in the Member States. Will taxation on the basis of the place where the property is made available not lead to people choosing the countries with the lowest VAT rates? This is, of course, a matter of tax legislation and I do not propose to dwell on it further, but does it not mean that there could be some tax advantage for exporters? And there is also the question of whether the property would always be declared when it crosses the border. For bulky articles this is easy to check, but with smaller ones this is certainly not the case.

Nor does the proposal for a 10th Directive solve problems of transactions with third countries: as the Commission says in its explanatory statement, the possibility of double or non-taxation still remains in relations with third countries. And I would urge the Commission, in connection with the 8th Directive on VAT refunds, to come forward with proposals to improve the regulations on relations with third countries.

Lastly, I wonder whether a customer tax would not be more sensible. In its explanatory statement, the Commission agrees that this is a sensible notion, but apparently too many policy difficulties arose in discussions with the Council to reach agreement on this point. The advantage, of course, is that in this way the original significance of VAT is preserved. After all, VAT is a tax on utilization, and taxation based on the place of utilization agrees most closely with the principle of VAT. Again, there would no longer be any differences between entrepreneurs and that, really, is the most substantial part of the whole traffic to which this VAT applies.

Control problems would be reduced too. The tax would be levied on the customer and therefore in the country of utilization — the two are the same. On the other hand, it is also a fact that a choice always has to be made between the place of residence of the supplier of a service and the place of utilization. In a very sensible way, therefore, customer taxation combines the concepts of place of residence and place of utilization.

For these reasons too, and also because double and non-taxation could be avoided in this way, I would invite the Commission on behalf of my committee to study this suggestion again, particularly since we are likely to find that more additions will be necessary to close loopholes in the taxation legislation.

Of course this would not solve everything; that is clear. In the case of non-taxable persons, the place of residence of the supplier of the service should continue to be regarded as the place where the service is supplied, and we recognize that, in that case, some adaptation is necessary. Control possibilities are good but, on the other hand, we ask the Commission to undertake this study and submit further proposals. I express the hope that there will not be too many of them. I also hope that the explanatory statement that the Commission provides will be somewhat more intelligible for Members of Parliament not concerned day-in, day-out with this subject.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, the aim of this Tenth Directive is to provide a solution to a problem arising from the interpretation of Article 9, paragraph 1, of the Sixth Directive, by virtue of which a supplier already established in a given country hires out movable tangible property was acquired, without being established in the latter country. Some Member States, and also the Commission, took the view that the place of taxation of the hiring should be the country where the property was acquired and hired out. Other Member States interpreted the directive in the sense that the place of taxation should be the place in which the supplier has established his business. These differing interpretations could give rise to cases of double taxation, or of non-taxation. To avoid such problems, the Commission has proposed that the taxable supply should be considered as taking place in the country in which the hired property is placed at the disposal of the hirer by the supplier. Thus, basing itself on an objective and factual criterion, this respects the spirit of Article 9, which provides for taxation at the place where the supplier is established.

The problem is to avoid an extension of the criterion of utilization beyond the limits of the derogation provided in Article 9, paragraph 2(d), of the Sixth Directive. Such an extension would have required common definitions of the place of utilization for each category of supply of services in addition to the practical problems of application in the case where a non-taxable lessee crosses intra-Community borders.

It should be noted that the Member States have already adapted their legislation to the provisions of Article 9 of the Sixth Directive, and the adoption of an alternative criterion would require these Member States to carry out further legislative changes, a course which is

**Burke**

manifestly undesirable from a juridical standpoint, and which could present political difficulties.

In reply to the rapporteur, I would indicate to Parliament that the Commission is examining the whole situation he mentioned in regard to third countries. I recall that this was also requested by Parliament when a discussion took place on the Seventh Directive.

On his second question, I would point out that the principle of the Sixth VAT Directive lays down that the seller is taxed. If we were to tax the buyer, we should have to change the whole basis of this system. For these reasons, the Commission urges the European Parliament to give a favourable opinion to the proposed solution, which, may I remind you, is accepted by the great majority of the Member States.

**President.** — The debate is closed. The vote will take place at 10.30 a.m.

*7. Directive on emulsifiers, stabilizers, thickeners and gelling agents for use in foodstuffs*

**President.** — The next item is the report by Mr Remilly, on behalf of the Committee on the Environment, Public Health and Consumer Protection (Doc. 1-551/79), on

the proposal from the Commission to the Council for a directive amending for the second time Directive 74/329/EEC, on the approximation of the laws of the Member States relating to emulsifiers, stabilizers, thickeners and gelling agents for use in foodstuffs.

Since the rapporteur is not yet here, I call Mrs Maij-Weggen to speak on behalf of the Group of the European People's Party (C-D).

**Mrs Maij-Weggen.** — (NL) Mr President, I would naturally have preferred to give my comments after those of Mr Remilly. It may now be difficult, perhaps, to make some remarks for lack of background information.

To begin with, I would state that our group approves Mr Remilly's proposal and that we agree with the amendments made by the Committee on the Environment to the Commission's proposals. This means that we reject Mr Deleau's amendment to the effect that the Commission's original proposal should be adopted.

In view of the time, I shall confine myself to a few comments. In the first place, we in committee try to define our positions with regard to this kind of directive on the basis of experts' opinions. These opinions usually reach us far too late, and that has happened in the present case as well. In addition, these opinions are particularly terse and unaccompanied by documents describing the relevant investigations. We therefore

earnestly appeal to the Commission to give us early and full information about the scientific basis for their proposals. Various Members of this Parliament are very well qualified to draw their own conclusions from the reports, and it is apparent to us that their conclusions sometimes differ from those of the scientific committees.

My second and last comment relates to the amendment made in the report with regard to ghatti gum. The Commission had advised us to continue to authorize the use of this substance in foodstuffs until 30 June 1980, although toxicological investigations have shown clearly that it is harmful. This would allow sufficient time for stocks to be disposed of. We regard this way of proceeding as wrong, and at this point I would emphatically support the standpoint taken by the committee. If a substance is really dangerous, measures must be taken swiftly to protect consumers. In such situations, the interests of the trade must not be placed above the health of consumers. Mr Remilly's report was modified to meet with the views of the Committee on the Environment, and we support that modification. For that reason we reject Mr Deleau's amendment.

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

**Mr Sherlock.** — Mr President, honourable Members, this is a directive on which the European Democratic Group basically agrees with the modifications as proposed by Mr Remilly and included in the directive as it appears before you in the document. Document 1-551/79 is basically unexceptionable. I would like, however, to follow what Mrs Maij-Weggen has said about the difficulty sometimes encountered with these substances of getting first-class toxicological advice. I want really to use this opportunity of saying that perhaps toxicologists are the most overworked profession in the whole world at the moment. There are very few of them, for a start, and they find themselves now being thrown almost every sort of substance which we have been used to taking as a matter of daily routine for a great many years, and being asked to test it for possible potential noxious possibilities. Consequently, it is difficult, especially when one is thrown a list, such as the list on page 9 of this draft directive, of substances, a great many of which we have been taking in quite reasonable quantities for the greater part of our adult lives. My object, therefore, is a fairly simple one. While quite able to accept this particular document, I think there are some areas to which the Commission could well direct its activities where substances of far greater likely danger could be investigated, rather than spending, at this time, so much of their working availability upon substances which most of us have a fairly large quantity of inside us without too much evidence of damage at the present time.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, this proposal is based on the advice of the Commission's Scientific Committee for Food, which, as Members will recall, is composed of independent experts drawn from the Member States who are recognized experts in the field of toxicology and food science. Your Committee on the Environment, Public Health and Consumer Protection proposes amendments to the Commission's proposal concerning both ghatti gum and karaya gum. May I take these two substances and the Commission's proposal relating to them separately?

First of all, the ghatti gum: The seventh series of reports of the Scientific Committee for Food on page 40 reads as follows:

The committee considered this compound toxicological unsuitable for use in food on the basis of existing data. The compound should be phased out unless a definitive assurance was received that within four years the following studies would be available for assessment . . .

The committee then goes on to list its requirements. Ghatti gum is an effective emulsifier for oil and water emulsions. It has been used in maple syrups containing butter for use in various products, and appears to be limited to the United Kingdom. In view of its limited use and the fact that the Scientific Committee for Food recommends only that it be phased out, and that only if they receive no assurance of long-term tests over a period of four years, it does not appear to the Commission that there is any need abruptly to prohibit the sales of such foodstuffs as may contain ghatti gum. Under Article 1, Section 2, of the directive, Member States may — but not must — continue to authorize its use until 30 June 1980. This avoids Member States' having to impose the destruction of existing foodstocks containing this substance during the next six months, and seems to the Commission to be an entirely reasonable provision, bearing in mind that the Scientific Committee for Food asks for the compound to be phased out, and is, moreover, content to contemplate its continued use for four years if the testing required is done.

I pass now, Mr President, to karaya gum. The Scientific Committee for Food reported in its seventh series on page 31 that this substance was not acceptable for food use on the basis of existing toxicological data. The committee goes on to say that if the results of appropriate studies are made available to it within one year, it will be prepared to reassess the present classification of the substance. This statement has been criticized in the Economic and Social Committee as being inconclusive as to the precise recommendations of the committee for action. At a subsequent meeting, the Scientific Committee for Food was asked, in view of the proposal made by the Commission — I quote from the minutes of the committee:

The committee was asked by the Commission representative whether the Commission proposals in

respect of karaya gum were a correct interpretation of the wishes to the committee. The Economic and Social Committee had indicated that, since questions of public health could be involved, the Commission should not interpret the committee's advice more liberally than was intended. The committee agreed that the provisions in the proposed directive were in accord with the committee's opinion on karaya gum, in view of the fact that information from the requested short-term studies of this substance would be made available within one year.

In view of the committee's opinion, it seems to the Commission that it would be quite unreasonable to impose an immediate ban on further sales of all foodstuffs containing this substance, which is widely used in the baking industry and in chocolate *couvertures* and block chocolate. This is in effect what the amendment proposed by Parliament would do. Under the Commission's proposal, karaya gum continues to be permitted until the Scientific Committee for Food has made its evaluation. If the committee decides that karaya gum should not be permitted as an emulsifier, the Commission will make a proposal to the Council for its removal from Annex II of the directive before 31 December 1980.

Mr President, in the light of these considerations the Commission feels unable to accept the amendments proposed, which go well beyond what the Scientific Committee for Food requires.

**President.** — The debate is closed. The vote will be taken at 10.30 a.m.

#### 8. *Decision on chlorofluorocarbons in the environment*

**President.** — The next item is the report by Mr Newton Dunn, on behalf of the Committee on the Environment, Public Health and Consumer Protection (Doc. 1-570/79), on

the proposal from the Commission to the Council for a decision concerning chlorofluorocarbons in the environment.

I call Mr Newton Dunn.

**Mr Newton Dunn, rapporteur.** — Mr President, chlorofluorocarbons, for anybody who was not in the Chamber yesterday morning when we debated the question of urgent procedure, are gases which are the propellants in aerosol cans. They are also used as refrigerants and as air-cooling and air-conditioning media, but the main use in Europe for 80 % of chlorofluorocarbons is in aerosol cans.

There is some scientific evidence — and I stress that it is evidence, there is no actual proof as I speak — that these chlorofluorocarbons cause damage to the ozone layer in the upper stratosphere. As I say, the scientific

**Newton Dunn**

evidence is not proven. The ozone layer is a very unreliable, widely varying layer. Its thickness is greatest at the end of summertime at the Equator; it is considerably thinner at the end of winter at the North and South Poles. There is a very wide variation in thickness, according to the season and the location. The ozone layer is also reduced in thickness by lightning, by fires on the earth's surface, by nitrogenous fertilizers, by sunspots and by cosmic rays. However, the ozone layer is increased in thickness by the so-called 'greenhouse effect'. When there is deforestation — and there is a great deal on the earth's surface — and when fossil fuels are burned, this causes an increase in carbon dioxide in our atmosphere. This increase in carbon dioxide heats up the troposphere; that causes a cooling in the stratosphere, and that increases the ozone layer.

I hope I have not given too much scientific detail, but I do hope this illustrates that to measure the changes in the ozone layer from any one factor, whether it be from sunspots, cosmic rays or chlorofluorocarbons, is exceedingly difficult. The most advanced scientific techniques so far cannot prove anything. However, the theory does suggest there is some damage to the layer, and for that reason the Commission has proposed that there be a cautionary move to reduce by 30 % the consumption of chlorofluorocarbons in aerosols by 1981, compared to 1976. I stress, Mr President, that this is a precaution, but as rapporteur I must say to the Parliament that I think it is a wise one in the light of scientific suggestions.

The Economic and Social Committee has reported favourably on the Commission's proposal for a 30 % reduction in aerosols by the end of 1981. A major international conference held in Munich in December 1978 recommended — and this was a world-wide conference — that there be a 30 % reduction by the end of 1981 as a precaution, and this is what the Commission has followed. In November 1979, a United Nations conference reported that there had been no appreciable change in the scientific situation since the Munich conference; in other words the 30 % precautionary reduction is still considered by world experts as the most sensible proposal.

The Committee on the Environment, Public Health and Consumer Protection, at the end of an exhausting two days, when only nine people, I am very sorry to say, out of 27 members, were present, took it upon themselves to change the sense of the Commission's proposals very dramatically. In the light of subsequent evidence that I have received from manufacturers, and on the basis of the United Nations Conference, I have proposed Amendment No 1, which has been circulated and translated, proposing that parliament restore the Commission's proposal for a 30 % reduction. As rapporteur, I do recommend that to Parliament.

There is a further reason for recommending Amendment No 1. There are some 200 small filling

companies in the Communities. These are very small companies who do not make chlorofluorocarbons, but who buy them from the large manufacturers and put them into the cans. If we were to ban chlorofluorocarbons totally and precipitately, as the committee has recommended, it would mean finding new propellants for aerosols, and that would mean new safety equipment for the small filling companies. I am advised that the extra financial burden on the small filling companies, who are, many of them, in small non-industrial areas where there is little alternative employment, would be very serious, and there would be a considerable loss of jobs if we did this too precipitately. I am told — and the Commissioner can correct me if I am wrong — that the consequence of banning chlorofluorocarbons in aerosols within three years, which is what the committee's recommendation has been, has been examined by the Commission, and I am told that it would put at risk 6 000 jobs within the Community, and would disturb a further 6 000. Hence, Mr President, my recommendation to Parliament to adopt Amendment No 1, which follows exactly the Commission's proposals and ECOSOC's recommendations.

**President.** — I call Mr Ghergo to speak on behalf of the Group of the European People's Party (C-D).

**Mr Ghergo.** — (I) Mr President, ladies and gentlemen, my task has been made much easier by what the rapporteur has said, since, on behalf of my group, I wished, precisely, to propose that the Commission's wording be reinstated.

The rapporteur spoke in the conditional throughout. The truth is that there is no certainty that this product is causing serious harm to human health and the environment, which is the reason why, in view of the certain damage that we should cause to big and small firms whereas the hazard is purely hypothetical, I feel that it would be best to adopt a precautionary approach which would bring about a reduction in the use of these substances on the understanding that the subject would be reviewed should the investigations now in progress prove the existence of this alleged danger.

In conclusion, I would propose, as I said, the reinstatement of the Commission's wording which calls for the reduction of this chlorofluorocarbon to 30 %.

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

**Mr Muntingh.** — (NL) Mr President, the Socialist Group takes a somewhat different line of thought, as you know, from that of the rapporteur and Mr Ghergo. We take the view that there is no scientific proof of any damage to the ozone layer. On the other hand, we wonder whether this proof has to be forthcoming before we take any action. To put that in Christian-Democrat

## Muntingh

terms: do we have to wait for the calf to drown before we pull it out of the well?

This is how the environment has been the dupe of history throughout time. In our view, unless scientific proof can be produced that the ozone layer is not affected, the production of chlorofluorocarbons should be stopped. If I am correctly informed, the 30 % proposed by the Commission would in fact come into effect in 1981.

In France, for example, an annual reduction of 8 % is expected in the use of chlorofluorocarbons, and in the Netherlands and Germany the reduction at present is even greater. That means that the industry about which Mr Newton Dunn and Mr Ghergo are so concerned has itself come to the conclusion that these chlorofluorocarbons are dangerous. Of itself, it is switching to the use of hand-pumps and mechanical means. If the industry itself is aware of the problem, why should we not put additional pressure on it and require that the use of chlorofluorocarbons be reduced by at least 50 % by 1981 and by 100 % two years later? This would give the industry a year or two to adjust to the measures and to counter the possible loss of jobs. On behalf of my group, I therefore support the report of the Committee on the Environment and Public Health.

My last point is this. These chlorofluorocarbons are used, in the great majority of cases, purely for things for which we, as human beings, have not the slightest need and for things that we can also produce in a different way. We have absolutely no need to use these dangerous substances. It really is ridiculous that ladies in Europe find it so necessary to spray their hair with lacquer. Do we have to imperil public health and nature in this way? Only if the use of chlorofluorocarbons is really necessary — for medical purposes, for example — and on condition that it is evenly dispersed, can we authorize it. We do see the need for this and it is also included in the report by the Committee on the Environment.

In short, to us, the Committee on the Environment, Public Health and Consumer Protection's motion for a resolution is in every way acceptable.

**President.** — Mr Muntingh, you referred to the calf and the well. That is not a Christian-Democratic but a biblical expression.

I call Mr Sherlock to speak on behalf of the European Democratic Group.

**Mr Sherlock.** — Much has already been said on this subject. I shall try not to keep you too long, but the nature of the problem is this: Where do the flies go in the winter time? That is an old English saying, it is a comic song, and some of the evidence that is produced

on this subject comes into the category of comic songs. Everybody, on both sides of this Chamber, has admitted that there is not a fraction of evidence that such change as has been predicted from mathematical models has actually occurred. There is not a whit of evidence that the theory, fascinating though it be, has in any way begun to show any positive alterations in ozone layers.

Such rudimentary measurements as have been made of ozone layers show, curiously enough, contrary to the models' predictions, an actual increase on almost every occasion when they have been taken. I commence therefore, Mr President, with an attitude of disbelief. Unlike Humpty Dumpty on a good morning, I can sometimes disbelieve as many as a hundred things before breakfast. I am essentially and to begin with a scientific disbeliever. For the very word science speaks of knowledge, and that is a positive thing, Mr President, not a matter of idle armchair conjecture. Here we have a concept up in the stratosphere, where there are virtually no molecules, indulging in amorous dalliance at arm's length, producing curious chemical compounds, some of which have never yet even been demonstrated to exist on mother earth, and from it we have extrapolated the concept that penetration of the ozone layer by the harmful end of the ultra-violet component of the spectrum can be enhanced. It is a possibility. Most of you, of course, who are remaining in this Chamber will be hastening as soon as the sun starts to shine, or possibly even in midwinter, to those few places on the earth's surface where you can gain the maximum possible dose of ultraviolet at this end of the spectrum, because that is what produces the handsome tan that is so much admired. You will see from this document that the effect at the very worst would be as if we all moved a mere 158 km nearer to the equator. I am quite sure that there are many of my Copenhagen cousins who would love to do just that on a great many of those winter days. Here we have, then, a sensible proposal from the Commission which grew out of the work of the Commission and the Economic and Social Committee because they could see a flashing blue light a long way away on the autobahn. They therefore said, let's take our foot off the accelerator. All right, let's even put it ever so slightly on the brake, and cut back by 30 %. On the predictions of the mathematical model, this is a wise and sensible thing to do. But it is no more than wise and sensible, and any more than 30 % starts making serious inroads into employment situations. I do not intend to overstress this, but there are 6 000 odd jobs upstream in this industry in the mining, for example, of the fluorspa which provides the F in the chlorofluorocarbons, and there are 6 000 downstream: mostly small people in small towns doing small neat jobs. Yes, it is a luxury trade, Mr Muntingh, and if we follow the Muntingh proposal throughout, a dull sort of world it is going to be. Shut down the luxury trades? Very well, if you want to lead a Muntingh life in a Muntingh style, shut it all down, and may the Lord have mercy on you!

**Sherlock**

This, then, is my proposal. I support the rapporteur back to the very sensible Commission proposals propounded by one of the world's leading experts in our own Commission on this very subject.

*(Laughter)*

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

**Mr Ceravolo.** — *(I)* Mr President, I was surprised that Mr Newton Dunn, the rapporteur, should have expended his energy on defending in this way the conclusions of the Committee on the Environment, his own and those of the Commission. It seems to me that the arguments put forward — whether by Mr Newton Dunn, Mr Ghergo or Mr Sherlock — are in contradiction with the principle that should apply in the Committee on the Environment in the light of the environment programme approved by the Council of Ministers.

The object of this programme is to introduce the principle that only those substances should be used whose harmlessness is assured. It seems to me that some Members forget this principle at the psychological moment and make their yardstick the economic losses that may arise. To my mind, our answer should be that the damage that may be done to the environment and to mankind is far more important than any economic loss. This is also why we have repeatedly maintained that the ecology is not something passive but rather an active stimulus towards greater economic efficiency, and we should not be daunted by the problems of restructuring. The committee believes that the ecology sector offers its own employment potential for the future, a point that should be taken into account.

It seems to me that we are forgetting that the CFC problem has already been with us for several years. Sure findings are not possible in this field, because it is difficult to establish anything with 100 % certainty; but scientific circles in America, the United Kingdom and Europe are now convinced that these substances are harmful because they reduce the ozone. Even more serious forecasts have been made in two recently published reports, one by the United Kingdom Department of the Environment and the other by the American National Research Council.

Both reports affirm that the effects are far more serious than foreseen and even provide quantitative forecasts. They say that if the present rate of emission of CFCs into the atmosphere were to be maintained there would be a 0.7 % to 1.6 % reduction in the ozone, while the American Cancer Institute has stated only recently that every 1 % reduction in ozone results in a 4 % increase in the incidence of skin cancer. These precise figures suggest that we may expect an alarming worsening of the situation and that more serious consequences are to be feared than at first thought.

If all this is true, if it is true that Denmark and the Netherlands are preparing to ban these substances, and if it is true that measures have been taken in America aimed at their gradual prohibition, I do not see why we have to go back to a position that is very mild even when compared with that of the Munich Conference which focussed on this subject. If it is true — as Mr Sherlock himself said — that we need to bring about a 30 % reduction, I fail to see how we can say that because we are not certain, we should not aim at further decrease. If in doubt, my view is that in a matter of this kind we ought to plan for prohibition, because otherwise Mr Muntingh would be right in saying that we were locking the stable door after the horse had bolted. In this field I think there are many who have woken up to the facts too late, and these are not things we should be experimenting with at the public risk. There are reasonable grounds for doubting the harmlessness of these substances; in fact there are reasonable grounds for believing that they are harmful. We therefore feel that the Committee on the Environment would have done well to take a stricter stance, because this would be more consistent with the programme for action to promote the protection of mankind and the environment.

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

**Mrs Dienesch.** — *(F)* Mr President, I want to take up a statement by another Member, who seemed to want to make women and their idle pleasures responsible for the existence of aerosols. With your permission, I would like to defend the standpoint of women, who simply use what is offered them in the shops and by the hairdresser, and to point out that it is up to industry to manufacture harmless appliances. It is in no way the fault of women, who usually put environment and health above anything else. It is clear that, from the environmental standpoint, we cannot remain indifferent to the danger to which the ozone layer is exposed. There may, perhaps, be a problem of manpower redeployment in the industries making these articles, and we should take the necessary precautions in advance. This is certainly true because, in many cases, we tackle the employment problem too late. So let us take the necessary restructuring steps for these firms which, in all probability, are exposing the population to risk, and let us decide to abolish substances implying such risks in order to achieve the result we seek.

**President.** — I call Mrs Weber.

**Mrs Weber.** — *(D)* Mr President, ladies and gentlemen, to my mind it is inadmissible to argue in the terms that we have just heard from two speakers: it is not possible to see employment as being in competition with the possible risk of cancer. I do not think that is a good method, because we ought to realize that, after all, cancer represents a serious danger to our society.

**Weber**

Neither do I think that one can say, as Mr Sherlock just did, that there are other things that are dangerous. One should not say, for example, that we often intentionally put ourselves in certain radiation situations, even though we may knowingly bring about such a situation. As we learned from the Munich Conference and the United Nations Conference, the findings are unchanged and I feel that, on the basis of these unchanged findings, we cannot decide otherwise than other governments have already done. Mr Newton Dunn, in committee and even in his report, has pointed out that the damage to the ozone layer might possibly amount to 1 %: I find this incredible, because, given the amount of ozone that surrounds us, 1 % is a very big change and we should not bring about this change by our resolutions. Like Mr Ceravolo, I also feel that the responsibility for proof applies to the harmlessness of the substances. It is not up to us to prove they are dangerous if a large number of scientists in the world maintain that danger exists. First it has to be proved that chlorofluorocarbons are not dangerous, in which case we shall be able to change our attitude to these problems.

My next point is the argument that employment is in danger. In the US, the situation after the ban was very closely studied and the surprising conclusion was reached that for practically all products in which these chlorofluorocarbons are used they could be replaced without difficulty by other propellant gases or mechanical means. In case the many gentlemen in this House felt they could not vote against them because their ladies desperately need hairsprays, let me tell them that, once I knew how dangerous chlorofluorocarbons were, I stopped using hair lacquer and it has not affected my well-being one iota.

*(Applause)*

I do, however, feel that it is urgently necessary to find a solution, because the problem exists and we know it simply cannot be allowed to go on. I believe this decision is urgently necessary. We could, perhaps, try to reach a compromise along the following lines. We have two possibilities as regards the reference year for a decision. The first is that given in the Commission's proposal — 1976. Unfortunately, the consumption of chlorofluorocarbons in that year was particularly high. In committee, we proposed — as you can see from the document in front of you — to take the present situation as the datum. My feeling is that it would be possible, taking 1976 as our year of reference, to say that there could be a 50 % reduction by the end of 1981. We could perhaps make it possible for the Members on the other side of the House to agree if we said that the Commission must produce a report on the current position in the scientific debate on the subject in the summer of 1981 — i.e. six months before the date on which we feel a decision to be necessary. I also feel that, by that time, we should be in a position to judge whether, at the end of 1981, a further 50 % reduction would be necessary — i.e. 100 % compared with the

present situation — or whether a decision in some other form would be required.

I invite the ladies and gentlemen on the other side of the House to think again about this proposal, because I consider it to be urgently necessary for the health of the European population.

**President.** — I call Mr Johnson.

**Mr Johnson.** — Mr President, I yield to no one in my interest to see the environment protected, including the global environment, and from what I know of Mr Muntingh's life-style, I am wholly in favour of it.

I do not think the original report from the Committee on Environment, Public Health and Consumer Protection is a good report. I believe it is unrepresentative, in fact, of the committee's views. There were only nine members present when it was adopted. That was not their fault, I quite agree, but I also believe it is wrong in substance. I happened to serve in 1977 as the rapporteur at the first Inter-governmental Conference in Washington on the ozone layer — that is the highest-level conference which has ever taken place, a conference on the ozone layer.

*(Laughter)*

I served again in December 1978 as the chief rapporteur of the Inter-governmental Conference at Munich, which also has been referred to. It was at that conference — at which, by the way, 18 governments were represented — that the 30 % reduction was agreed to which serves as the basis of the Commission proposal.

I support the Commission proposal, I believe it is the right proposal for the situation in which we find ourselves. With great respect to the committee, their proposal is nonsense. It is nonsense because it speaks of a reduction of 50 % below present levels by 1981. That would cause extreme dislocation. We were grateful, I think, to hear the proposal just introduced by Mrs Weber for a 50 % reduction on the basis of 1976 levels: that is indeed progress. It is nonsense, though, to speak of a 100 % ban by 1983 when at the same time the unamended text calls on the Commission both to verify whether the reduction has been achieved and also to re-examine the scientific evidence.

We are all environmentalists, but we must not throw out the baby with the bath-water. Let us look at what will actually happen if today this Parliament votes for the amended text. On Monday, in Brussels, the Council of Environment Ministers are meeting precisely to agree to a Community decision on chlorofluorocarbons. We have to have a Community decision: it is nonsense for Mr Ceravolo to say that the Danes and the Italians are going to introduce bilateral or unilateral measures. You cannot do that in a Community, you have to be able to have free trade; you have to have a Community

**Johnson**

measure on traded products. If today this Parliament adopts a report such as that proposed by the Committee on the Environment, Public Health and Consumer Protection, which calls for a 50 % reduction on the present levels by 1981 and a total ban later on, there is absolutely no chance at all that there will be agreement on Monday in Brussels. Therefore, by being too environmentalist, we shall end up by not protecting the environment at all. I therefore beg to move, Mr President, that we support the original idea of the Commission, and adopt the amendment to the committee report as proposed by Mr Newton Dunn.

**President** — I call Mr Collins.

**Mr Collins**, *chairman of the Committee on the Environment, Public Health and Consumer Protection*. — I wish only to make a few points, Mr President, because it seems to me that as chairman of this committee, I owe the House something of an explanation for what has happened here this morning.

I would draw the House's attention first of all to the rather peculiar rôle which the rapporteur is playing at this time. Rule 42 tells us, Mr President, that the rapporteur 'shall be responsible for preparing the committee's report and for introducing it in Parliament'. In this case I would suggest to you, and suggest to the House, that the rapporteur has done no such thing. He has not, in fact, prepared the report; he has not, in fact, submitted it to this House. He has submitted an amendment to a report which he himself has claimed, I think, that he did not prepare, because it was amended so much in the debate in the committee itself. I would also draw your attention to the fact, Mr President, that the Rules say quite clearly that when a report is produced in the House, it will indicate what the voting was in the committee. If you look at the relevant part of that report, you will find that Mr Newton Dunn supported this report in the committee itself, because this was a unanimous decision.

*(Applause)*

Mr Newton Dunn is therefore not representing the committee's views, and that is contrary to the Rules of Procedure of this House.

There are two other matters that I want to draw the House's attention to. This is partly a technical matter, and partly a political matter. We have heard from Dr Sherlock not only an attack on Mr Muntingh, which I think was decidedly unfair, and quite unwarranted, I may say; we also heard a great deal of doubt cast on the technical aspects of this matter. The way in which this Parliament works, I would suggest, is that technical matters are best dealt with in committee. And yet none of the evidence that Dr Sherlock mentioned this morning was presented in committee — why, Mr President? Because Dr Sherlock and his representatives

were not there. This Parliament only works if people are willing to spend time in committees, and are willing to work in committees. This report has come forward without that work being done, and as chairman of the committee I am very disappointed to have to stand up in this House and say that this is the case.

On the political side, clearly this is a very important matter indeed, because jobs are at stake. Again, I would be less sceptical of the sincerity of Dr Sherlock's plea on behalf of the jobs if his voting record on other matters were more in line with the objectives of job retention. His voting record on matters like the von Bismarck report, and so on, would suggest that his attitudes are quite the reverse.

I would suggest to you, Mr President, and I would suggest to the House, that we are confronted this morning with a whole series of misrepresentations by the people on the other side. I would therefore ask the House to support the report that is coming before it, and to give great consideration to the things that Mrs Weber and Mr Muntingh have said.

**President**. — The committee chairman is, of course, quite entitled to make a number of observations. He has, however, delivered a very severe attack upon the rapporteur, and I hope that the rapporteur will at least defend himself.

I must point out that the Parliament votes, not on a report but on the motion for a resolution. There the Parliament's responsibility ends.

I call Lord Harmar-Nichols on a point of order.

**Lord Harmar-Nicholls**. — Mr President, the last speaker spoke with the claimed authority of being chairman and seemed to be interpreting the rules to mean that one automatically had to carry into the House a decision arrived at in committee, just because one was a member of that committee. Is that ruling confirmed by the President? I would have thought that the whole purpose of having committees, followed by confirmation in the House, was that it gives people a chance to take into account the added information they gain in committee in order to try and arrive at the right decision when they come to the plenary sitting. I would like to feel that the President confirmed this interpretation of what our procedure should be, rather than that put forward by the chairman of that particular committee.

*(Applause from the European Democratic Group)*

**President**. — The Chair agrees with you, and even the chairman of the committee does not deny that any Member of this Assembly is entitled to express an opinion. The only question is whether the rapporteur

**President**

accepts the accusation made by his chairman that his report fails to reflect the discussion in committee.

I call Mr Newton Dunn.

**Mr Newton Dunn, rapporteur.** — Mr President, my committee chairman quoted Rule 42, and I have it here. It says:

Committees may appoint for each subject a rapporteur, who shall be responsible for preparing the committee's report and for introducing it to Parliament.

This report does reflect what the committee proposed. It does give a report on the voting. It does propose amendments proposed by the committee. So I consider I have done that part of the job exactly.

Now, on the second part, the committee chairman disliked the fact that I had introduced an amendment, but I may point out there is a very good precedent in this Parliament for having done so. In the first reading on the budget in early November, the Committee on Budgets voted on the co-responsibility levy. The vote was 17/17, and Mr Dankert's original proposal was lost. As you know, Parliament has since elevated Mr Dankert to the position of Vice-President. He reintroduced an amendment contrary to his committee's view, as Mr Collins would put it, and got it back.

*(Applause from the European Democratic Group)*

I believe therefore, going on that distinguished precedent, that I am perfectly entitled to do the same.

If I may say one more word, Mr President, Mr Collins attacked my colleague, Mr Sherlock. Mr Collins may not have known it, but Mr Sherlock and Miss Hooper were, in fact, absent from the committee on parliamentary business.

*(Applause from the European Democratic Group)*

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, the question of whether the chlorofluorocarbons used mainly in aerosols' propellants may cause changes in the composition of the stratosphere leading to damage to the ozone layer, with possible adverse consequences for man and the environment, is still the subject of controversy, as is clearly demonstrated here this morning. The validity of the theory of ozone depletion has not yet been confirmed, and uncertainties remain high in the light of the latest results of research and assessments, as shown by recent publications by the United States National Academy of Science and by the United Kingdom Department of the Environment.

The Commission therefore continues to believe that while in the meantime it is prudent for the Community

to take precautionary measures, there are now no justifications for drastic actions. In the Commission's view, the present proposal constitutes a reasonable step in a balanced and gradual approach to the control of these chemicals. It takes into account the actual lack of scientific evidence and the need for undertaking precautionary and not irreversible measures before reaching a better understanding of the complex chemistry in the stratosphere. It avoids unreasonably adverse socio-economic effects on employment and industrial activity.

This draft decision, as has been mentioned in the debate is the follow-up to the Council resolution of 30 May 1978 on fluorocarbons in the environment, which constituted the first step in the Commission's approach. At the same time, the present proposal responds to the results of the international conference on chlorofluorocarbons held in Munich from 6 to 8 December 1978. The formulation of Article 2 of the Commission proposal meets reasonably well the objectives underlined above. In fact, a reduction of 30 % in the use of CFC in aerosols within the next two years in relation to the 1976 levels of use constitutes an important precautionary goal, if one considers that this kind of use represents in our Community 70 % of the total as against 30—40 % in certain third countries.

The Commission would like to underline that a decision to reduce by more than 30 % the use of CFC in aerosols in the next two years, because of their suspected threat to the environment, would entail industry irreversibly reconverting to substitution products which might cause greater harm to man and the environment. Alternative propellants like hydrocarbons, for instance, require special equipment and compliance with safety regulations. Furthermore, it cannot be ignored that a hasty decision to replace CFC before a valid scientific assessment of their harmfulness is reasonably reached will create irreversible adverse effects for the economic and social groups concerned.

I was asked a question in regard to the number of jobs. I understand that if it were decided to reduce by 50 % now and completely outlaw CFC in four years' time, it has been estimated that there would be a loss of around 6 000 jobs. Because of the cost and the technical problems many of the smaller firms are likely to be driven out of business. Being located nearer to private residential areas, for example, they will need to move in order to comply with safety requirements for the storage of alternative propellants like hydrocarbons.

For these reasons, Mr President, the Commission cannot follow the invitation of the European Parliament to amend Article 2 of the decision in respect of the rate of reduction of the use of CFC in aerosols to be achieved before the end of 1981.

As far as the proposals to amend Article 2 in respect of measures to be taken before 1983 is concerned, the

**Burke**

Commission would like to remind honourable Members that Article 5 provides that the measures to be taken will be reexamined in the course of the first half of 1982 in the light of the scientific and economic evidence available. I therefore suggest to the House that it is premature to fix now measures to be taken in 1982 before such re-examination.

**President.** — The debate is closed. The vote will be taken at 10.30 a.m.

### 9. Regulation on the market in dried fodder

**President.** — The next item is the report by Mr Jürgens, on behalf of the Committee on Agriculture (Doc. 1-546/79), on

the proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 1117/78 on the common organization of the market in dried fodder and Regulation (EEC) No 827/68 on the common organization of the market in certain products listed in Annex II to the Treaty.

I call Mr Jürgens.

**Mr Jürgens, rapporteur.** — (D) Mr President, ladies and gentlemen, it is my task to present the report on the Commission's proposal under this heading on behalf of the Committee on Agriculture, the committee responsible for this problem. The Committee on Budgets was also asked to give its opinion. On 20 November, the Committee on Agriculture approved the Commission's proposal by 19 votes to 3 with 3 abstentions, and on 28 November the Committee on Budgets also voted in favour of the proposal.

The Commission's proposal has a twofold aim: firstly, to amend the Common Customs Tariff classification for protein concentrates obtained from lucerne and grass and, secondly, to include the by-products obtained during the manufacture of these concentrates among the products covered by the aid regulation, since they are used for the same purposes.

According to the information provided by the Commission, aid amounting to 22.9 EUA per tonne would have to be provided for a quantity of around 35 000 tonnes of by-products. The total annual cost would be about 1.1 m EUA. The situation on the world market being what it is, however, the amount of aid would be very much lower, probably totalling around 350 000 EUA.

Lucerne is a leguminous plant growing well on all limestone soils and producing large quantities of protein. Wheat, for example, produces 550 kg, soya 720 kg and lucerne 2 000—2 500 kg per hectare. With the new system for obtaining protein concentrates now replacing the traditional dehydration method, the lucerne is ground and pressed while cold. The juice is then processed into pellets which have a very high

protein content (about 50 %) and some 500 mg of carotene per kg. The by-products are then dried in the usual way and have the same feed value. They have a protein content of 17 % and 115 mg of carotene per kg. It would therefore seem warranted to give aid for the by-products, i.e. the pressed lucerne, since the Community is very short of feedstuffs of this kind. The production of protein fodder from 1977 crops showed a shortfall of 1.7 million tonnes.

The Committee on Agriculture therefore approved the Commission's proposal, since it tallies with the object of increasing protein production in the Community. The report is in front of you and I shall therefore simply dwell briefly on a number of points. The new method offers a substantial saving in energy consumption (about 30—40 %) when compared with the traditional process, and considerably more by comparison with older methods still in use.

Secondly, the loss in nutritional value with pellets produced in this way is no greater than with other types of dried fodder. A third point is that, with this method, small farms would be in a position to dry and process their own fresh fodder in cooperative plant. Fourthly, I would point out that if these crops were to cease, the areas under cultivation would be reduced and used for the production of sugarbeet or cereals, whose marketing difficulties are familiar to us.

A last point I must make relates to farm economics: the growing of lucerne is ideal for rotation purposes. Bearing in mind that it is necessary to increase the production of vegetable protein in the Community, the Committee on Agriculture approved the Commission's proposal.

**President.** — I call Mr Burke.

**Mr Burke, Member of the Commission.** — Mr President, in order to speed up the processes of the House and since the rapporteur has very clearly indicated the merit of this proposal, I would simply limit myself to saying 'thank you' in anticipation for Parliament's view of this matter. I think it is, as is also the rapporteur's view, a very worthy project, and I leave it at that.

**President.** — The debate is closed. The vote will be taken at 10.30 a.m.

### 10. Regulation on the granting of assistance for the exportation of agricultural products

**President.** — The next item is the report by Mr Buchou, on behalf of the Committee on Agriculture (Doc. 1-553/79), on

the proposal from the Commission to the Council for a regulation on the granting of assistance for the exportation of agricultural products which may benefit from a special import treatment in a third country.

**President**

On account of illness, the rapporteur is unable to be present.

I call Mr Burke.

**Mr Burke, Member of the Commission.** — I would, Mr President, very briefly say that in connection with the GATT negotiations, the USA has agreed to the Community's request for an expansion of the Community's export opportunities for a number of types of cheese so that soft cheeses and goat's and sheep's milk cheese may in future be imported into the USA without any quantitative limitations, provided that these meet certain requirements regarding maturity, water content and fat content. The purpose of this proposal is to create the legal basis for adopting the necessary provisions on the issuing of these documents. The proposal also enables the Commission to adopt corresponding provisions for other agricultural products where the Community enters into agreements which require the use of such accompanying documents. So to ensure that the cheese exported from the Community fulfills all these requirements it has to be accompanied by a document issued by the competent authorities in the Community. I would, therefore, offer this for the consideration of the House.

**President.** — The debate is closed. The vote will be taken at 10.30 a.m.

11. *Decision on a national aid to milk producers in Northern Ireland*

**President.** — The next item is the report by Mr Maher, on behalf of the Committee on Agriculture (Doc. 1-565/79), on

a proposal from the Commission to the Council for a decision authorizing the United Kingdom to grant a national aid to milk producers in Northern Ireland.

I call Mr Maher.

**Mr Maher, rapporteur.** — I want to acknowledge the fact that the Presidency and the Bureau were prepared to take this item as a matter of urgency in spite of the fact that it had not originally been on the agenda.

Mr President, here we are dealing with the situation relating to a region that has very special problems — namely, the northern part of Ireland. At the end of the UK's transition period, it was recognized that the original supports which the UK Government had been giving to its own milk producers should be continued for the producers in the north of Ireland because of their isolation from the UK. Milk producers there do not have access to the liquid-milk market to the same degree as in the mainland of the UK.

Mr President, I want to emphasize that this is merely a derogation that has been asked for to enable the UK

Government to continue this support for a further year. The support is at the rate of 1.3 pence per litre, which is a reduction of 0.1 pence on the year before. Of course, this will have to be considered in a year from now, to see to what extent it is necessary to continue it. In my view, this is essential to milk producers in the North of Ireland. But I have indicated that the whole problem should be examined in the longer term and that some more long-term solutions should be proposed, and I have indicated some possibilities. First, that the milk market of the mainland of the UK should be open to these producers so that they can benefit from the better marketing situation. Second, that an effort should be made to help particularly the larger producers there to transfer to beef production. And third, that there should be greater coordination or cooperation with the milk marketing board of the Republic of Ireland, which is a highly developed export marketing organization, so that it could aid in disposing of some of the production from the North of Ireland.

Mr President, I promised when I got permission to introduce this report that I would be very brief. I notice that there is an amendment in from Mrs Cresson, who is a member of the Committee on Agriculture. In fairness to Mrs Cresson, I must say that she raised this matter in the Committee on Agriculture but there was no time to discuss it, so she has every right to introduce it at this stage. However, I do not think the way in which Mrs Cresson has done this is very practical from the administrative point of view. It would be very difficult to work out a system for a degressive rate based on the output per holding. So I would propose, Mr President, that this report should go through as I originally submitted it.

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

**Mr John D. Taylor.** — Mr President I join with Mr Maher this morning in thanking you and the Bureau and the House for allowing at short notice this report to be debated this morning. In return, I shall keep my remarks to a minimum.

I should, however, stress that this matter was sent by the Commission to the Council at the beginning of September, and the Council requested Parliament to make a decision by the end of October. At the beginning of this week, when we saw that the report was not down for debate, we naturally feared that it was going to be 1980 before a decision was reached, and this was certainly a matter of concern in Northern Ireland. On behalf of the milk producers in my constituency of Northern Ireland, I thank Mr Maher for raising it this week, and I also thank the Bureau for allowing it to be debated.

This is basically an internal United Kingdom affair. Northern Ireland is a part of the United Kingdom, and

**John D. Taylor**

the Northern Ireland Milk Marketing Board is therefore the responsibility of the United Kingdom Government. The money that we are talking about today is provided entirely by the United Kingdom Government. In total it does amount to about 15 % of the income of Northern Ireland milk producers. We are talking about a milk trade in the Province of Northern Ireland equivalent to about 200 million pounds sterling. So you can see that it is quite a significant business, and that this particular aid from the United Kingdom Government is a very valuable contribution to Northern Ireland milk producers. The reasons for this aid are, firstly, the difficulty in transport, caused by the separation between Northern Ireland and the rest of the UK, and the fact that, temporarily, the southern part of our island of Ireland has seceded from the United Kingdom.

*(Loud laughter and cries)*

It now has its own currency system, MCA's have become involved, there are disparities in values of green pounds, and all the complications of an island temporarily divided by our southern Irish neighbours. When they return to the United Kingdom, some of these problems will disappear, but until that event occurs we in Northern Ireland do require special support from the national government, and we therefore ask the House today to support this report presented by Mr Maher.

In conclusion, I should like to say that the 1.3 pence per litre, which is the level of support we are talking about, is a maximum level; it is not a fixed level, and the actual amount to be paid during the forthcoming year may not indeed reach 1.3 pence per litre. It may well be something less than 1 penny per litre, because in the end it is related to the return that milk producers get throughout the rest of the United Kingdom from the other milk marketing boards in our nation — for there is more than the Northern Ireland Milk Marketing Board in the United Kingdom, as my fellow Members from Scotland, Wales and England know very well.

Finally, may I say, Mr President, that I do dispute the suggestion in the report that this subsidy is being used to distort either Common Market trade, or trade within the British Isles. The figures that have been presented to support that case by Mr Maher are very suspect indeed. They refer to a very small section of the total United Kingdom butter trade; to suggest that Northern Ireland has suddenly, over the last few years, increased its share of the UK butter market from 1 % to 4 % is very suspect. I certainly would not accept that here today, and I know that our Northern Ireland milk producers at home would not accept it either.

I beg to support Mr Maher's report, and appeal to the House to pass it swiftly.

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

**Mr McCartin.** — I too can support the Maher document. I welcome whatever assistance is being provided, by whatever means, to my neighbours in the Northern part of Ireland. Most of the farmers in that area experience the sort of structural and climatic difficulties that we, in the southern part of the island, also encounter, apart from the fact that, because of the British system of subsidization over recent years, perhaps structures in Northern Ireland are slightly improved.

However, I can say that I agree with most of what the former speaker, Mr Taylor, has said, and in fact, I too like him, look forward to the reunification of Ireland within a united Europe, if not perhaps within a United Kingdom.

*(Applause from certain quarters of the European Democratic Group)*

Nevertheless, there are one or two comments I should like to make in relation to the marketing of milk within the area of Great Britain and Northern Ireland. While a lot of discussion has taken place in this House, and while the British press, over the years, tends to give ordinary consumers in Britain the impression that the price they pay is a direct result of Community policies, I would like to point out that in the past 12 months, as a direct result of British policies, three devaluations of the green pound have resulted in an increase of 15 % for British farmers over the past six months, while in Ireland, which is an area much more dependent on milk, we have actually taken a reduction in price.

The second point is that although Northern Ireland is within the United Kingdom, Northern Ireland milk producers may not sell their milk on the mainland of Great Britain. That is something they cannot say regarding the Republic of Ireland. Northern Ireland producers are free to sell their produce in the Republic of Ireland. If there is a protected market in Great Britain which compels the British consumer to pay unusually high prices, there are profits of 70 % or 80 % being made between the producers and what the consumer pays in Great Britain. I think the Community should set the record right for the British consumer, and explain to him that it is the closed, protected British market which compels the British consumer to pay 15p per pint for milk, rather than the European guarantees which are given to the farmer and the producer in the first place.

**President** — I call Mr Paisley.

**Mr Paisley.** — Mr President, I would like to join with those who have thanked the Bureau for allowing this matter to be on the agenda today, as this is a matter of vital importance to the dairy producers of Northern Ireland, which I represent in this House.

The main industry in Northern Ireland is agriculture, and a large part of that agriculture is dairy farming. We

## Paisley

are, of course, at a disadvantage, in that distribution of liquid milk is not sufficient within Northern Ireland. For instance, in Great Britain, 52 % of dairy produce goes for direct consumption as liquid milk. The figure for Northern Ireland is only 19 %. That puts us at a serious disadvantage.

I would like to thank Mr Maher for bringing forward this report. I would also like to take this opportunity of highlighting the fact that, whereas in the Committee on Agriculture of this Parliament there is a heavy balance of representatives from the Irish Republic, there is not one Member from the province of Northern Ireland. I think that is a shame, and this House should do something about discrimination against Northern Ireland.

I would like also to remark that I am not as hopeful as Mr Taylor is that the Republic will ever come back into the United Kingdom. But this I would say: Northern Ireland is determined never to be part of the Republic of Ireland.

*(Loud laughter and cries)*

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, as an Englishman while also being a Commissioner, I would hesitate to get too embroiled with the orange and the green that has been such a notable feature of this debate,

*(Laughter)*

but I am glad that at least both colours can meet within the European Parliament.

*(Applause)*

I have listened with great interest to the more technical aspects of the debate as well as to the political ones, and in particular to the speech which Mr Maher made when he presented the report on behalf of the Committee on Agriculture. I agree certainly that in the long term such a measure is not desirable. But we face a problem which is an inheritance from the transitional period. I fully agree with him that the measures should no longer be applied when the pound sterling and the green pound again coincide. We must ensure that trade distortions do not result. I think that at present we should be prudent about the proposed investments in the dairy sector, having regard to the overall market situation. Here of course, in a sense, one touches again on the political point that one cannot say that there is a milk surplus in one part of the Community, in one State of the Community, and that there is a milk shortage in another State of the Community. If we have a common market and a common agricultural policy, either there is a surplus in the Community as a whole or there is a deficiency in the Community as a whole. One has to look at the Community *in toto*.

The redirection of production towards beef-meat in this region is indeed desirable. The Community is already making considerable efforts in this area, and the Commission proposes to continue the régime in force. Cooperation between the Northern Irish and British boards is, as has been said, an internal British matter, since obviously the Province of Northern Ireland is part of the United Kingdom. I must say that I have no information on barriers to trade in milk arising.

I hope, Mr President, that the House can approve this measure, which is not intended to be permanent. I regret the fact that my own unfamiliarity with the subject as well as the immense political pitfalls which it clearly opens up have not enabled me to go deeper into the matter.

*(Loud laughter)*

**President.** — I call Mr Blaney.

**Mr Blaney.** — I also wish to support the proposal contained in the report by Mr Maher. The problems of the milk producers in the six north-eastern countries of our country known as Northern Ireland derive mainly from the fact that they are not in a position to avail themselves of the market in the UK on the same terms as their colleagues in the milk business on the mainland. If there is anything that we might say about this in reply to previous speakers, it is that the particular difficulty that is being experienced by these milk producers which the proposal will alleviate to some degree, speaks for itself. It is because the island is divided that this problem emerges as it now does. As to the remark made by Mr Taylor, no doubt rather facetiously, that he hopes that all this problem of differences on the two sides of that unnatural boundary will disappear by the southern part of the country's rejoining the UK, might I just say that the island, and these people in the northern part of our island, are separated from the UK, which claims that part of the island. We also claim it as Ireland and Irish. The obvious thing, from the Community's point of view, is that they should reunite what belongs to them, and that we should have a united country working on our little island all together. The Community could then be dealing with one problem rather than two problems, and dealing with it in a much more effective way.

I just wish to say to Mr Paisley, Mr Taylor, Mr Maher, Mr McCartin and all the others that I fully support this proposal in any and every way it can be applied. But let this Parliament learn from it. Let us look at the ludicrous situation that has brought this position about, and come to our own conclusions. Perhaps we shall have an opportunity of discussing that in the not-too-distant future.

*(Laughter)*

**President.** — The debate is closed. The vote will be taken at 10.30 a.m.

12. *Membership of committees*

**President.** — I have received from the Socialist Group a request for the appointment of Mrs Krouwel-Vlam to the Committee on the Rules of Procedure and Petitions to replace Mr Vondeling.

Are there any objections?

The appointment is ratified.

13. *Votes*

**President.** — The next item comprises the votes on motions for resolutions on which the debate is closed.

We begin with the motion for a resolution contained in the *von Bismarck report (Doc. 1-559/79): Economic situation in the Community.*

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1, I have Amendment No 18, tabled by Mr Wagner, Mr Ruffolo, Mr Moreau, Mr Schinzel, Mr Walter, Mr Schwartzberg, Mr Caborn and Mr Rogers and adding the following sentence:

1. ...; points out, nevertheless, that practical convergence of the Member States' economic and social development policies can only be achieved by an overall approach, but that macro-economic policy must, on the contrary, be supplemented by a series of specific measures concerning particularly employment, regional development, the conversion of industrial structures and the control of dominant positions and multinational undertakings;

What is the rapporteur's view?

**Mr von Bismarck, rapporteur.** — (D) Mr President, the proposed addenda argue that general policy is an inadequate measure, but this is carrying coals to Newcastle: it is already contained in the Commission's report, so I propose that this amendment be rejected, because basically it adds nothing new.

**President.** — I put Amendment No 18 to the vote.

Amendment No 18 is rejected.

I put paragraph 1 to the vote.

Paragraph 1 is adopted.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

On paragraph 3, I have Amendment No 16, tabled by Mr Ruffolo, Mr Wagner, Mr Moreau, Mr Schinzel, Mr Walter, Mr Schwartzberg, Mr Caborn, Mr Rogers, Mr Macario, Mrs Gaiotti de Biase, Mr Zecchino, Mr Bonaccini and Mr Filippi and adding the following new sentence:

3. ...; notes, furthermore, that the present situation of inflation and unemployment is the consequence of inflationary structures and even an unbalanced growth which cancel out efforts to implement traditional economic policies for controlling overall demand;

What is the rapporteur's view?

**Mr von Bismarck, rapporteur.** — (D) Mr President, I think the same thing applies here. The views put forward are contained in different words in the report as a whole. They merely re-assert that general policy is ineffective. That is absurd. General policy is the pre-condition for the effectiveness of all specific measures, and I therefore propose that this amendment be rejected.

**President.** — I put Amendment No 16 to the vote.

Amendment No 16 is rejected.

I put paragraph 3 to the vote.

Paragraph 3 is adopted.

After paragraph 3, I have Amendment No 5, tabled by Mr Deleau and Mr Nyborg, on behalf of the Group of European Progressive Democrats, and adding the following new paragraph:

- 3a. Regrets the fact that this objective has not been meaningfully incorporated in a dynamic form of medium-term economic planning, which at present seems to be relegated to a secondary rôle by the Community;

What is the rapporteur's view?

**Mr von Bismarck, rapporteur.** — (D) I think this is a good proposal and recommend its adoption.

**President.** — I put Amendment No 5 to the vote.

Amendment No 5 is adopted.

On paragraph 4, I have the following amendments:

— Amendment No 4, tabled by Mr Cecovini and rewording the last part of this paragraph as follows:

...; endorses the Commission's recommendation that a determined effort to pursue the aim of increased monetary stability through measures designed to correct the negative effects of the above national distribution and budget policies should be combined with suitable promotion of growth and productivity through measures to encourage investment on expansion into new products and on the establishment

## President

of new undertakings with the consequent creation of additional jobs, especially in the services sector, as essential prerequisites for maintaining demand at a sufficiently high level;

— Amendment No 6, tabled by Mr Deleau and Mr Nyborg, on behalf of the Group of European Progressive Democrats, and replacing 'welcomes the fact' with 'notes';

— Amendment No 7, tabled by Mr Deleau and Mr Nyborg, on behalf of the Group of European Progressive Democrats, and rewording this paragraph as follows:

4. Welcomes the fact that, while it does not overlook the imported causes of inflation, the Commission's report has emphasized the link between incomes distribution policy (redistribution), national budgets (deficit spending) and inflation; points out that the fight against inflation should not be confused with deflation, i.e. a check on growth; endorses the Commission's recommendation ... (*remainder unchanged*);

What is the rapporteur's view?

**Mr von Bismarck, rapporteur.** — (D) In my view, Amendment No 4 is unacceptable, because the last sentence is illogical, I recommend the rejection of this amendment.

Amendment No 6 I consider to be wrong, because the word 'welcome' does not mean the same thing as 'notes'. 'Notes' would be too weak here in view of what the committee decided.

There are no objections to Amendment No 7, which, therefore, could well be adopted. It would improve the paper.

**President.** — I put Amendment No 6 to the vote.

Amendment No 6 is rejected.

I put Amendment No 7 to the vote.

Amendment No 7 is adopted.

Mr Pannella, you cannot have the floor during a vote.

I put Amendment No 4 to the vote.

Amendment No 4 is rejected.

I put paragraph 4, thus modified, to the vote.

Paragraph 4, thus modified, is adopted.

Mr Pannella, the voting is not yet over.

After paragraph 4, I have two amendments tabled by Mr Deleau and Mr Nyborg on behalf of the Group of European Progressive Democrats:

— Amendment No 8:

After paragraph 4, add the following new paragraph:

- 4a. Believes that an effective economic policy should take the form of measures to encourage productive, job-creating investment and to eliminate unproductive spending;

— Amendment No 9:

After paragraph 4, add the following new paragraph:

- 4b. Regrets the Commission's failure to attach greater importance to the momentum created by exports within the context of the general balance of economic growth.

What is the rapporteur's view?

**Mr von Bismarck, rapporteur.** — (D) Paragraph 4 (a) I consider to be superfluous, because these matters are contained in paragraph 4. I would vote against it.

I consider Amendment No 9 is a good suggestion and recommend its adoption.

**President.** — I put Amendment No 8 to the vote.

Amendment No 8 is rejected.

I put Amendment No 9 to the vote.

Amendment No 9 is adopted.

On paragraph 5, I have Amendment No 10, tabled by Mr Deleau and Mr Nyborg, on behalf of the Group of European Progressive Democrats, and rewording this paragraph as follows:

5. Affirms that the Member States of the Community should make every effort to share the additional burden resulting from higher energy prices as fairly as possible, adopting arrangements geared to each country; (*54 words deleted*) points out, however, that ... (*remainder unchanged*);

What is the rapporteur's view?

**Mr von Bismarck, rapporteur.** — (D) I recommend the rejection of this proposal, because it would rob the committee's decision of its real meaning.

**President.** — I put Amendment No 10 to the vote.

Amendment No 10 is rejected.

I put paragraph 5 to the vote.

Paragraph 5 is adopted.

On paragraph 6, I have Amendment No 11, tabled by Mr Deleau and Mr Nyborg, on behalf of the Group of European Progressive Democrats, and rewording this paragraph as follows:

**President**

6. Stresses that a coherent money supply policy combined with incomes (*two words deleted*) policy should continue to be pursued as an effective means of holding down inflation (*remainder deleted*);

What is the rapporteur's view?

**Mr von Bismarck, rapporteur.** — (D) The same applies as to the previous amendment. It would rob the resolution of its meaning and I therefore recommend its rejection.

**President.** — I put Amendment No 11 to the vote.

Amendment No 11 is rejected.

Mr Pannella, you will have the floor after the vote.

(*Mr Pannella continued to demand the floor to make a point of order or give an explanation of vote*)

**President.** — I am obliged to suspend the proceedings for a few minutes.

(*The sitting was suspended at 11 a.m. and resumed at 11.05 a.m.*)

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

I must remind the House that it is the President's task to ensure the proper conduct of sittings. He must also, however, see to it that we keep to schedule. This is not stated in the Rules of Procedure, but it is in the practical interests of us all. I find it regrettable that Mr Pannella was not prepared to wait with his procedural motion until the vote on the motion in the Bismarck report had finished.

I put paragraph 6 to the vote.

Paragraph 6 is adopted.

On paragraph 7, I have Amendment No 12, tabled by Mr Deleau and Mr Nyborg, on behalf of the Group of European Progressive Democrats, and rewording this paragraph as follows:

7. Draws attention to the Commission's observation that the investment policy decisions which determine growth and increased productivity depend on market assessment and business confidence in economic policy and on the rates of return and financial situation of undertakings (*remainder deleted*);

What is the rapporteur's view?

**Mr von Bismarck, rapporteur.** — (D) I recommend that this amendment be rejected. The second half of this sentence — which would be left out — cannot be dropped without distorting the meaning of the report.

**President.** — I put Amendment No 12 to the vote.

Amendment No 12 is rejected.

I put paragraph 7 to the vote.

Paragraph 7 is adopted.

I put paragraph 8 to the vote.

Paragraph 8 is adopted.

On paragraph 9, I have two amendments:

— Amendment No 3, tabled by Mr Cecovini and deleting from the second part of this paragraph the words from 'and improve . . . .' to ' . . . confidence is increased'.

— Amendment No 13, tabled by Mr Deleau and Mr Nyborg, on behalf of the Group of European Progressive Democrats, and rewording this paragraph as follows:

9. Calls on the Commission and the Council resolutely to pursue the measures already embarked on with promising results to improve facilities for training, further education, retraining and rehousing and encourage workers to take advantage of such facilities and to report to Parliament each year on the successes and failures of these measures;

These two amendments are mutually exclusive.

What is the rapporteur's view?

**Mr von Bismarck, rapporteur.** — (D) I recommend the rejection of these amendments.

**President.** — I put Amendment No 13 to the vote.

Amendment No 13 is rejected.

I put Amendment No 3 to the vote.

Amendment No 3 is rejected.

I put paragraph 9 to the vote.

Paragraph 9 is adopted.

On paragraph 10, I have two amendments:

— Amendment No 2, tabled by Mr Cecovini and rewording the first part of this paragraph as follows:

10. Welcomes the Commission's observation that shorter working hours cannot be regarded as an instant panacea for reducing unemployment, but rather as an objective to be pursued in the medium and long term, which . . . (*rest unchanged*);

## President

— Amendment No 17, tabled by Mr Bonaccini, Mr Ruffolo, Mr Moreau, Mr Schinzel, Mr Wagner, Mr Walter, Mr Macario, Mr Schwartzberg, Mr Caborn, Mr Rogers, Mrs Gaiotti de Biase, Mr Zecchino and Mr Filippi and replacing this paragraph with the following:

10. Is convinced that although a reduction in working hours is not in itself sufficient to solve the problems of unemployment and under-employment, it is a valid objective in terms of social and humanitarian progress and can alleviate some of the effects of unemployment, particularly that resulting from technical progress, the adoption of new working methods and substantial increases in productivity. This objective can be obtained without any substantial increase in industrial costs and must take account of the different conditions prevailing in the various Member States of the Community, in particular as regards increases in productivity, while respecting fully the powers of the signatories of collective agreements.

These two amendments are mutually exclusive.

What is the rapporteur's view?

**Mr von Bismarck, rapporteur.** — (D) I recommend the rejection of Amendment No 17, which contains repetitions and self-contradictions. Amendment No 2 I recommend be adopted; it is an improvement on paragraph 10.

**President.** — I put Amendment No 17 to the vote.

Amendment No 17 is rejected.

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

I put paragraph 10, thus modified, to the vote.

Paragraph 10, thus modified, is adopted.

I put paragraph 11 to the vote.

Paragraph 11 is adopted.

On paragraph 12, I have two amendments:

— Amendment No 14, tabled by Mr Deleau and Mr Nyborg, on behalf of the Group of European Progressive Democrats, and rewording this paragraph as follows:

12. Hopes that the Council will draw the appropriate lessons from the fact that the European Monetary System was not able to withstand effectively the first monetary fluctuations it encountered.  
Asks the Commission to draw up specific proposals for a common policy on the dollar and for effective control of the Eurodollar market;

— Amendment No 19, tabled by Mr Moreau, Mr Macario, Mr Bonaccini, Mr Ruffolo, Mr Schinzel, Mr Wagner, Mr Walter, Mr Schwartzberg, Mr Caborn, Mr Rogers, Mrs Gaiotti de Biase, Mr Zecchino and Mr Filippi and adding the following new sentence at the end of this paragraph:

12. ...; but harmonization of monetary policies is not itself enough to achieve convergence without measures to deal with the structural causes of economic distortions and divergencies; the European Council in Bremen, indeed, stressed the importance of accompanying measures;

These two amendments are mutually exclusive.

What is the rapporteur's view?

**Mr von Bismarck, rapporteur.** — (D) I recommend that Amendment No 14 be rejected, because it does not agree with the views of the committee. The first sentence does not reflect the attitude of the majority of the committee. Amendment No 19 is superfluous, because the same thing is said several times elsewhere.

**President.** — I put Amendment No 14 to the vote.

Amendment No 14 is rejected.

I put Amendment No 19 to the vote.

Amendment No 19 is adopted.

I put paragraph 12 to the vote.

Paragraph 12 is adopted.

After paragraph 12, I have Amendment No 15, tabled by Mr Deleau and Mr Nyborg, on behalf of the Group of European Progressive Democrats, and adding the following new paragraph:

- 12a. Requests that the Member States coordinate their action to check the escalation of interest-rates, which is putting a brake on economic growth in Europe.

What is the rapporteur's view?

**Mr von Bismarck, rapporteur.** — (D) This amendment is correct in its thinking, but the formulation is too general, making it unacceptable in this form. The problem of escalating interest-rates cannot be dealt with on a general basis. It has to be tackled separately in each country. Unfortunately, therefore, the amendment should be rejected, since we can no longer change it.

**President.** — I put Amendment No 15 to the vote.

Amendment No 15 is adopted.

On paragraph 13, I have Amendment No 1, tabled by Mr Cecovini and replacing, in the sixth line of this

**President**

paragraph, the words 'need not conflict with' with the words 'must be harmonized with'.

What is the rapporteur's view?

**Mr von Bismarck, rapporteur.** — (D) I recommend the rejection of this amendment because the word 'harmonized' changes the meaning of this sentence to such an extent that it would no longer agree with the views of the majority of the committee.

**President.** — I put Amendment No 1 to the vote.

Amendment No 1 is rejected.

I put paragraph 13 to the vote.

Paragraph 13 is adopted.

I put paragraphs 14, 15 and 16 to the vote.

Paragraphs 14, 15 and 16 are adopted.

I call Mr Coppieters on a point of order.

**Mr Coppieters.** — (NL) Mr President, the Rules of Procedure state that procedural motions have precedence over any other speech regardless of what it is. It is not just a matter of Mr Pannella.

I want to make these comments. Firstly, the procedural motion that Mr Pannella wanted to table related in fact to the application of one of the Rules of Procedure, Rule 29 (1), which states that Parliament shall not deliberate on any amendment unless it is moved during the debate. Secondly, nowhere in the Rules of Procedure does it state that no explanations of vote may be given when votes are taken by paragraph or by amendment. Thirdly, a little while ago you wrongly refused to accept the procedural motion. Three times, therefore, you have acted in breach of the Rules of Procedure, and those Rules must be the basis on which our activities should be governed, regardless of who is concerned.

**President.** — I call Mr Klepsch.

**Mr Klepsch.** — (D) Mr President, I feel that, in this question, your ruling was right, because if we have explanations of vote for every single paragraph and amendment we shall again be in a situation we do not want. We all, I feel, take the view that explanations of vote should be made before the final vote, and for that reason you are, in my opinion, acting perfectly correctly, Mr President.

**President.** — I call Mr Pannella.

**Mr Pannella.** — (F) Mr President and, with your permission, Mr Klepsch, we all know that we are in danger of falling behind schedule. If a train is running late, that is no reason for not stopping at

stations to let passengers off. Yours, Mr President, was the very likeable reaction — as in everything you do — of disregarding the Rules of Procedure in order to come in earlier at the terminus, after which, without any further explanation, you ask other Members, not me, to speak on a point of order after refusing the same request from me five times. Mr Klepsch does not say that there may be no explanations of vote but simply that, if there are, it will make us too late. Well, President Klepsch is too much of a law specialist and man of order to want to throw us into such chaos. If all it needed for our Rules of Procedure and the rights of Members to be flouted was that someone should be in a hurry, then I feel that Mr President Klepsch would realize that he appears in the present situation as a man of disorder — not order.

Mr President, I wished to say for myself what Mr Coppieters has just said about Rule 29 (2). Being over-hurried, Mr President, always results in a waste of time, because then we do not reason calmly. We have failed to realize that some of the amendments on which a vote has been taken could not be put to the vote because they were not moved during the debate.

**President.** — I take note of your protest and will lay the matter before the Bureau.

**Mr Pannella.** — (F) Before the Committee on the Rules of Procedure and Petitions!

**President.** — I have no objection. That will be done.

I call Mr Moreau for an explanation of vote.

**Mr Moreau.** — (F) Mr President, at the close of this debate and after the voting that has taken place on the various parts of this resolution, after hearing the rapporteur, and in spite of the goodwill we showed in committee to try and improve this text, my group abstained when the vote was taken in committee. Today, having heard the speeches of the rapporteur, who has closed every door and has displayed an even harder attitude than during the deliberations of the committee, we have no alternative but to vote against, for three basic reasons.

Firstly, this Assembly — according to the rapporteur — refuses to make any allusion to the fact that inflation has had structural causes and is satisfied, so to speak, to refer solely to the cyclical causes. Secondly, it also seems to be content that the only policy discussed should, all in all, be aimed solely at the very short term. The truth, is that we know that a number of structural policies are necessary and that we must go beyond the short term if we really want our Community and our Member States to have more control over the policies that are implemented.

Lastly, and this is a major point for us socialists, this Assembly has rejected the text we proposed about the

**Moreau**

reduction in working hours. On this point, the rapporteur's wording, which largely repeats that of the Commission, is inadmissible and unacceptable.

For our part, we regret that the House was unwilling to go along with our amendment on this question, for we, and you too, all know that the reduction of working hours is one of today's key problems for the workers in our countries as regards both creating employment and improving working conditions. In view of the rejection of these various proposals, the Socialist Group will vote against Mr von Bismarck's report.

*(Applause on various benches)*

**President.** — I call Mr Arndt on a point of order.

**Mr Arndt.** — (D) Mr President, Mr Pannella has repeatedly alleged that there have been breaches of the Rules of Procedure. Now, Rule 30 clearly and unmistakably states that no Member may speak unless called upon to do so by the President. Mr Pannella makes himself out to be a unique specialist on the Rules of Procedure, but time and again he breaks the Rules and affronts the vast majority of Members of Parliament.

*(Applause on various benches)*

I would therefore be grateful if Mr Pannella, with all his insistence on his legal rights, would also bear in mind that all the other Members of this Parliament strive to abide by the Rules of Procedure and that he ought to do the same, precisely because he is always bringing them up.

*(Applause on various benches)*

**President.** — I call Mr De Goede.

**Mr De Goede.** — (NL) Mr President, you know you have my highest esteem, but after the words of the last speaker I feel that a counter-suggestion is called for. I assume that you intend to put the motion for a resolution as a whole to the vote straight away. I would like to ask you not to do that, because you have rightly pointed out that the Bureau has to rule on the question whether the voting on the amendments has taken place in proper fashion. Rule 29 states that amendments can be dealt with only if they are moved during the debate. Well, we have voted on a number of amendments that have not been moved. This raises the question whether a number of amendments have been validly adopted. I assume that you will be putting the question to the Bureau. Until that is settled, the final vote on the motion for a resolution cannot, to my mind, take place, because we do not know what motion we shall be voting on. That, after all, depends on what the Bureau decides. I therefore propose that the final vote be postponed until we know the Bureau's ruling on the interpretation of the Rules of Procedure.

**President.** — Mr De Goede, the Parliament must decide whether it accepts the thesis you have just put forward.

I put to the vote the motion for a resolution as a whole, as modified by the various amendments that have been adopted.

The resolution is adopted.<sup>1</sup>

**President.** — We proceed to the motion for a resolution contained in the *Ferri report (Doc. 1-478/79): Intervention by Parliament before the Court of Justice.*

I call Mr Vernimmen for an explanation of vote.

**Mr Vernimmen.** — (NL) Mr President, I followed yesterday's debate on the Ferri report attentively and the worthy legal gentlemen — no matter how right they may have been from the legal standpoint — failed to convince me that no economic and social difficulties will arise in the sugar industry, not simply for the workers but also for the employers and the farmers connected with sugar production, as a result of this action and Parliament's intervention. For this reason, I shall vote against the Ferri report.

**President.** — I call Mr Coppeters for an explanation of vote.

**Mr Coppeters.** — (NL) Mr President, for the same reasons as Mr Vernimmen, I shall abstain.

**President.** — I call Mr Megahy for an explanation of vote.

**Mr Megahy.** — Mr President, I was the only member of the Committee on Legal Affairs who voted against this motion at the time it was going forward. I did not dispute the facts of the situation; what I did dispute was the action it was proposed to take. I feel that a political protest would have been far more useful and that going to court is a last resort, one that is not appropriate to this particular case. To me, it is certainly not appropriate that Parliament should be joining in a case that is already proceeding in the Court of Justice with two firms there. I appreciate the argument that Parliament wants to put its own point of view and that that would be best done by the Parliament's lawyers; but I feel that that view of the situation would not be appreciated by many people outside this House, who may well feel that Parliament is intervening in the substantive nature of the issues involved. I think, therefore, that we ought not to have proceeded with this, and I intend to vote against this motion.

<sup>1</sup> OJ C 4 of 7. 1. 1980.

**President.** — I put the motion for a resolution to the vote.

The resolution is adopted.<sup>1</sup>

**President.** — We proceed to the *Catherwood motion for a resolution (Doc. 1-561/79): Results of the Tokyo Round.*

I put the preamble to the vote.

The preamble is adopted.

I put paragraphs 1 to 3 and the first 4 indents of paragraph 4 to the vote.

Paragraphs 1 to 3 and the first 4 indents of paragraph 4 are adopted.

On the fifth indent of paragraph 4, two amendments have been tabled:

— Amendment No 1, tabled by Mr Bersani and deleting this indent. This amendment has, however, been withdrawn;

— Amendment No 10, tabled by Mr Cohen and Mr Enright and rewording this indent as follows:

— the partial consideration for the developing countries demonstrated in the Community decisions on tropical products, with flexible special arrangements for the application of the various codes and with an adjustment of the legal framework for the conduct of world trade to meet the needs of those countries; at the same time, it should, however, be noted that not all developing countries are satisfied with the results obtained and that more particularly, the poorest developing countries are able to derive very little benefit from the tariff reductions;

What is the rapporteur's view?

**Sir Fred Catherwood, rapporteur.** — I am in favour of accepting this particular amendment, which seems to have general support and is more specific.

**President.** — I put Amendment No 10 to the vote.

Amendment No 10 is adopted.

I put paragraphs 5 and 6 to the vote.

Paragraphs 5 and 6 are adopted.

On paragraph 7, I have Amendment No 6, tabled by Mr Seal and Mr Seeler and adding the following to the end of this paragraph:

notes also, however, that some OECD countries also refused to make reciprocal concessions, owing in part to the Community stance on agriculture.

What is the rapporteur's view?

**Sir Fred Catherwood, rapporteur.** — I would like to make a general statement, because this is one of the first of a series of amendments. I am very anxious that Parliament should pass a comment on the General Agreement on Tariffs and Trade before it comes into force on 1 January. We have tried, therefore, in the motion for a resolution to find a formulation that will secure the largest possible majority in the Parliament for this motion.

As a result, we agreed not to proceed in committee with certain amendments. Those amendments, which have now come back before the House, are really a matter for political judgment on which I would not wish to comment as rapporteur. I would, however, ask that, whichever way they are passed, we do get the biggest possible majority for the motion as a whole, because I think that, as yesterday we wanted to establish the Parliament's position in relation to the budget, so today we must establish the Parliament's position in relation to the negotiations on which the Community has competence. So, this particular amendment, to my mind, is a matter for political judgment.

**President.** — I put Amendment No 6 to the vote.

Amendment No 6 is rejected.

I put paragraph 7 to the vote.

Paragraph 7 is adopted.

On paragraph 8, I have Amendment No 2, tabled by Mr Bersani and adding the following at the end of this paragraph:

8. ... to afford the Community's economy effective protection; emphasizes, however, that there could be no question of applying this safeguard clause rigidly to the poorest developing countries and instructs its relevant committees to consider this matter.

What is the rapporteur's view?

**Sir Fred Catherwood, rapporteur.** — There seems to be general acceptance of this amendment and I would recommend it.

**President.** — I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

I put paragraph 8, thus modified, to the vote.

Paragraph 8, thus modified, is adopted.

I put paragraphs 9 and 10 to the vote.

<sup>1</sup> OJ C 4 of 7. 1. 1980.

Paragraphs 9 and 10 are adopted.

On paragraph 11, I have Amendment No 7, tabled by Mr Seal and Mr Seeler and adding the following at the end of this paragraph:

and calls for the application of codes of good conduct for firms engaged in international trade, in order to maintain certain minimum ILO provisions.

What is the rapporteur's view?

**Sir Fred Catherwood, rapporteur.** — The paragraph is a matter for political judgment. I have no recommendation.

**President.** — I put Amendment No 7 to the vote.

Amendment No 7 is rejected.

I put paragraph 11 to the vote.

Paragraph 11 is adopted.

I put paragraph 12 to the vote.

Paragraph 12 is adopted.

On paragraph 13, I have Amendment No 3, tabled by Mr Bersani and replacing the phrase 'they benefit the least developed countries to an even greater extent' with 'they at last provide some benefit to the least developed countries'.

What is the rapporteur's view?

**Sir Fred Catherwood, rapporteur.** — Although there is general agreement on this amendment, there are some who think that it does impose a political slant. It is a matter for political judgment, and I therefore make no recommendation.

**President.** — I put Amendment No 3 to the vote.

The result of the vote is doubtful. I therefore propose to take a fresh vote, using the electronic voting system.

Are there any objections?

That is agreed.

I call Mr Patterson on a point of order.

**Mr Patterson.** — While everybody is getting to their seats, perhaps I might be allowed to make a point of order on Rule 35. Yesterday, when we did this, I understand that somebody was listed as having voted who was not in fact present. Could I ask that one of two things be done in future when we have the electronic voting: either some kind of penalty is imposed on those who vote in a seat other than their own; or, much preferably, these cards are removed from

those seats where there is no Member present? Otherwise the result will be in doubt.

(Applause)

**President.** — Your observations will be recorded in the Report of Proceedings.

The ballot is open.

(The vote was taken)

The ballot is closed.

Amendment No 3 is adopted.

I put paragraph 13, thus modified, to the vote.

Paragraph 13, thus modified, is adopted.

On paragraph 14, I have Amendment No 8, tabled by Mr Seal and Mr Seeler, and replacing this paragraph by the following new text:

14. Notes that the outcome of the GATT negotiations may guarantee the regular flow of world trade and produce certain adjustments to cope with new patterns of trade, but that the more radical problems dividing not only North from South, but also East from West, can only be solved by the establishment of a new international economic order in respect of relations between these groups of nations.

What is the rapporteur's view?

**Sir Fred Catherwood, rapporteur.** — Mr President, again it is a matter of political judgment and I make no recommendation.

**President.** — I put Amendment No 8 to the vote.

Amendment No 8 is rejected.

I put paragraph 14 to the vote.

Paragraph 14 is adopted.

I put paragraph 15 to the vote.

Paragraph 15 is adopted.

After paragraph 15, I have the following three amendments:

— Amendment No 4, tabled by Mr Bersani and inserting the following two paragraphs:

- 15a Regrets the fact that, by their very nature, negotiations of this kind do not enable the poorest developing countries to benefit from the results of the Tokyo Round;
- 15b Asks the European Economic Community to continue its efforts to reduce progressively the current burden of levies and excise duties on some

**President**

popular tropical products such as, for example, coffee

— Amendment No 11/rev., tabled by Mr de Courcy Ling, Mr Kellett-Bowman and Mr Welsh, on behalf of the European Democratic Group, and Mr van Aerssen, Mr Majonica and Mr Jonker, on behalf of the Group of the European People's Party (C-D), and adding the following new paragraph:

15a Calls on the Commission to build on the successful outcome of the multilateral trade negotiations to produce proposals to encourage public and private investment in developing countries as part of a comprehensive policy to boost consumption and end stagnation in world trade within the framework of the GATT agreements, especially since capital investment in the developing countries will pay a crucial role in stimulating their economies;

— Amendment No 12/rev. II, tabled by Mr de Courcy Ling, Mr Kellett-Bowman, Mr Welsh and Sir John Stewart-Clark, on behalf of the European Democratic Group, and Mrs Dienesch, on behalf of the Group of European Progressive Democrats, and adding the following new paragraph:

15b Regrets that the Government of Japan was unable to play a more positive part in the multilateral trade negotiations and requests the Commission to carry out a comprehensive review of trading arrangements with Japan with a view to launching new initiatives to secure fair access to the Japanese market for Community products.

These amendments are mutually exclusive.

I call Mr Welsh.

**Mr Welsh.** — Mr President, Rule 29 (2) says that amendments that have not been printed and circulated may be changed by permission of Parliament. With regard to Amendment No 11, in the debate last night I indicated to the Chair that we wished to alter the wording, with the consent of the political groups. With your permission, Mr President, and that of the House, I would ask you to allow us to delete the words 'as part of a comprehensive policy' and 'especially since capital investment in developing countries will play a crucial role in stimulating their economies'. The text would thus end after the word 'agreements'. I hope that will be acceptable to you.

**President.** — What is the rapporteur's view?

**Sir Fred Catherwood, rapporteur.** — This amendment is, I think, very important in order to get a broad general agreement, and I have asked for it to be allowed. I do strongly recommend to the House that we allow this amendment to be inserted.

Amendment No 4, by Mr Bersani, does seem to be generally accepted, and I would therefore recommend it, but I think it should be inserted after paragraph 14

instead of after paragraph 15. With that change, I recommend this amendment.

**President.** — I first put Amendment No 4 to the vote.

Amendment No 4 is adopted.

I now put to the vote Amendment No 11/rev., as modified by Mr Welsh's oral amendment.

Amendment No 11/rev. is adopted.

I put Amendment No 12/rev. II to the vote.

Amendment No 12/rev. II is adopted.

I put paragraph 16 to the vote.

Paragraph 16 is adopted.

On paragraph 17, I have Amendment No 9, tabled by Mrs Chouraqui, on behalf of the Group of European Progressive Democrats, and deleting the words 'and for a procedure for the formal ratification of future trade agreements by the European Parliament'.

What is the rapporteur's view?

**Sir Fred Catherwood, rapporteur.** — I think it is rather important that we do have a procedure for the formal ratification of future trade agreements by the European Parliament. This is the whole object of our coming forward before 31 December, and I have explained to Mrs Chouraqui why, even though this is contentious, I would still recommend the House to reject her amendment.

**President.** — I put Amendment No 9 to the vote.

Amendment No 9 is rejected.

I put paragraph 17 to the vote.

Paragraph 17 is adopted.

On paragraph 18, I have Amendment No 5, tabled by Mr Bersani and replacing the phrase 'resolution, containing its agreements to the conclusion of the GATT negotiations subject to the aforementioned reservations,' with 'resolution containing its comments on the conclusion of the GATT negotiations'.

What is the rapporteur's view?

**Sir Fred Catherwood, rapporteur.** — I think this is a slightly contentious amendment, and I make no recommendation. It is a matter of political judgment.

**President.** — I put Amendment No 5 to the vote.

Amendment No 5 is rejected.

**President**

I put paragraph 18 to the vote.

Paragraph 18 is adopted.

I put to the vote the motion for a resolution as a whole, as modified by the various amendments that have been adopted.

The resolution is adopted. <sup>1</sup>

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**President.** — I put to the vote the motion for a resolution contained in the *Schmitt report (Doc. 1-545/79): Community tariff quota for frozen buffalo meat.*

The resolution is adopted. <sup>1</sup>

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**President.** — I put to the vote the motion for a resolution contained in the *Carettoni Romagnoli report (Doc. 1-546/79): Import of certain agricultural products from Turkey and the Maghreb countries.*

The resolution is adopted. <sup>1</sup>

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**President.** — I put to the vote the motion for a resolution contained in the *Giummarra report (Doc. 1-548/79): Community system of reliefs from customs duty.*

The resolution is adopted. <sup>1</sup>

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**President.** — I put to the vote the motion for a resolution contained in the *Key report (Doc. 1-537/79): Allowances and representation expenses of Members of the Commission.*

The resolution is adopted. <sup>1</sup>

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**President.** — I put to the vote the motion for a resolution contained in the *Beumer report (Doc. 1-550/79): Directive on turnover taxes.*

The resolution is adopted. <sup>1</sup>

**President.** — We proceed to the motion for a resolution contained in the *Remilly report (Doc. 1-551/79): Directive on emulsifiers, stabilizers, thickeners and gelling agents for use in foodstuffs.*

On the proposal for a directive, I have Amendment No 1, tabled by Mr Deleau and reinstating the Commission's text for Article 2.

What is the rapporteur's view?

**Mr Remilly, rapporteur.** — (F) Mr President, I am in favour of the amendment tabled by Mr Deleau recommending the reinstatement of the original wording for Article 2, allowing a reasonable period to sell existing stocks.

**President.** — I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put the motion for a resolution to the vote.

The resolution is adopted. <sup>1</sup>

**President.** — We proceed to the motion for a resolution contained in the *Newton Dunn report (Doc. 1-570/79): Chlorofluorocarbons in the environment.*

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1, I have Amendment No 1, tabled by Mr Newton Dunn, on behalf of the European Democratic Group, and rewording this paragraph as follows:

1. Urges that the use of chlorofluorocarbons (CFC's) in aerosols be reduced by 30 % by 31 December 1981, except when used for essential medical purposes;

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

On paragraph 2, Mrs Weber has submitted an oral amendment.

What is the rapporteur's view?

**Mr Newton Dunn, rapporteur.** — Mr President, since we have adopted Amendment No 1, which changed paragraph 1, the amendment you are now discussing must be rejected, because it contradicts what we have just approved.

<sup>1</sup> OJ C 4 of 7. 1. 1980.

**President.** — That is true. The amendment is now void.

I put paragraphs 2 and 3 to the vote.

Paragraphs 2 and 3 are adopted.

I put the motion for a resolution as a whole, as modified by the amendment that has been adopted, to the vote.

The resolution is adopted. <sup>1</sup>

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**President.** — I put to the vote the motion for a resolution contained in the *Jürgens report* (Doc. 1-564/79): *Market in dried fodder*.

The resolution is adopted. <sup>1</sup>

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**President.** — I put to the vote the motion for a resolution contained in the *Buchou report* (Doc. 1-553/79): *Assistance for the exportation of agricultural products*.

The resolution is adopted. <sup>1</sup>

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**President.** — We proceed to the motion for a resolution contained in the *Maier report* (Doc. 1-565/79): *National aid to milk producers in Northern Ireland*.

I put the preamble and paragraphs 1 to 3 to the vote.

The preamble and paragraphs 1 to 3 are adopted.

After paragraph 3, I have Amendment No 1, tabled by Mrs Cresson and inserting the following new paragraph:

- 3a. Considers it essential, in view of the surpluses in the milk sector and the income and employment problems faced by the Member States, that the aid granted by the United Kingdom Government to producers in Northern Ireland be linked to a degressive rate based on the output per holding, which would guarantee incomes but at the same time limit surplus production by those farmers for whom milk production is the only possible livelihood;

I call Mr Paisley on a point of order.

**Mr Paisley.** — Mr President, in Rule 29 (1) it says that Parliament shall not deliberate on any amendment unless it be moved during the debate. As this

amendment has not been moved during the debate, is it in order that we should be voting on it?

**President.** — I call Mr Maher.

**Mr Maher, rapporteur.** — Mr President, I can accept that Mrs Cresson was entitled to introduce this amendment, but I would only say that I urge the Parliament to reject it, because I think that in the first place it would be extremely difficult to administer and, secondly, its introduction would not help the income or employment situation in this region, which is extremely difficult.

While I have the floor, Mr President, I wish to reply quickly to Mr Taylor, who raised some questions about the accuracy of the figures I have in my report. Maybe Mr Taylor likes to believe only what he wants to believe, but if he is in doubt, let him check with the Butter Information Council in London. This is an international organization where he will get clarification of the figures.

Finally, Mr President, I hope we shall not in future have Mr Taylor and Mr Paisley competing with one another to introduce elements not directly related to the subject under discussion, which is the question of aid for the milk producers in the North of Ireland. I wish they would stop playing games in this Parliament.

**President.** — I put Amendment No 1 to the vote.

Amendment No 1 is rejected.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

I put the motion for a resolution as a whole to the vote.

The resolution is adopted. <sup>1</sup>

I call Mr Scott-Hopkins on a point of order.

**Mr Scott-Hopkins.** — Would it be possible now, Mr President, to take Item 137, which is a report without debate unanimously recommended and approved by the Committee on Agriculture, without having to wait for the joint debate on the other issues first?

**President.** — That would be very difficult. A number of Members are already sitting here waiting for the debate on the Rhine.

Subsequent votes will be taken at the end of this sitting.

<sup>1</sup> OJ C 4 of 7. 1. 1980.

#### 14. *Pollution of the Rhine*

**President.** — The next item is a joint debate on three motions for resolutions on the pollution of the Rhine:

- motion for a resolution tabled by Mr Muntingh, Mr Van Minnen, Mr Wettig, Mr Schieler, Mr Seeler, Mrs Weber, Mrs Wiczorek-Zeul, Mr Schmid, Mr Hänsch, Mr Linde, Mr Arndt, Mr Walter, Mr von der Vring, Mr Woltjer, Mrs Krouwel-Vlam, Mrs Van den Heuvel, Mr Schinzel, Mr Viehoff, Mr Albers, Mrs Hoff, Mr Peters and Mr Schmitt (Doc. 1-592/79);
- motion for a resolution tabled by Mrs Maij-Weggen, Mr Beumer, Mrs Boot, Mr Penders, Mr von Wogau, Mr Fischbach, Mr Estgen, Mr Sayn-Wittgenstein-Berleburg, Mr Langes, Mr Konrad Schön, Mr Majonica, Mr Hoffmann, Mrs Moreau, Mr d'Ormesson, Mr Janssen van Raay, Mr Van der Gun, Mr Mertens, Mr Bersani, Mr Seitlinger, Mr Tolman, Mr Jonker and Mr Narducci, on behalf of the Group of the European People's Party (C-D) (Doc. 1-597/79);
- motion for a resolution tabled by Mr Berkhouwer, Mr Delorozoy, Mr Louwes, Mr Delatte, Mrs Pruvot, Mrs Scrivener, Mr Rey, Mr Galland, Mr De Clercq, Mr Calvez, Mr Nord, Mrs von Alemann, Mrs Tove Nielsen, Mr Sablé, Mr Damseaux, Mr Maher, Mr Pomiatowski, Miss Flesch, Mr Pintat, Mr Haagerup, Mr Bettiza, Mr Donnez and Mr Bangemann, on behalf of the Liberal and Democratic Group (Doc. 1-601/79).

I call Mr Muntingh.

**Mr Muntingh.** — (NL) Mr President, I am speaking now on behalf not only of the signatories but also of the Socialist Group as a whole and above all the D'66 members who have signed this motion as well.

There are things that the public, after tolerating them good-temperedly or under silent protest for years, one day finds too much. Then people break out from the sheltered confines of their daily existence and may even become dangerous themselves. At such times they are determined, if necessary using unacceptable means, to compel changes to be made. That is how the French Revolution came about, and it now explains the anti-nuclear movement. One of the dangerous things that the public, and certainly Dutchmen, will no longer accept is the pollution of the Rhine. This has slowly become so bad that anyone who wants to bathe in it must first try out the temperature with one foot to make sure that cooling water discharged from nuclear reactors has not made it scalding hot. And immediately after, the would-be bather has to "hotfoot" it, so to speak, to an orthopaedist in order to be fitted with a false foot, since all that is left of it, because of the chemicals in the water, is the skeleton. That may be exaggerated, but the fact remains that seals are fast dying out in the Netherlands Frisian area as a result of the effect of the Rhine on their biotope and that, among other things, research by the Rijksinstituut voor Natuurbeheer in de Nederlandse Betuwe shows an increase in polychlorobiphenyl content in the eggs of the little owl, the closer it breeds to the Rhine. These two examples are not without significance, because what is bad for animals — and even fatal in the case of seals —

is also bad for humans. In addition, it is not just salt effluent that is polluting the Rhine and France is not the only country at which the accusing finger should be pointed. Other riparian States are polluting the river — Germany in particular but my own country as well — and, to the extent that chemical pollution is involved, this is certainly more serious than salt pollution. But the accusing finger in France's direction is definitely pertinent as regards the readiness to do something effective about pollution. In spite of the undertakings it has entered into, the French Government has repeatedly failed to act and thus scandalously delayed the finding of a solution. A vigorous condemnation of this attitude, as set out in our motion for a resolution, is therefore warranted.

I would also like to take this opportunity to reply to what Mr Klepsch said when the vote was taken on the request for urgent debate. He stated that it was not the French Government but the French Parliament that was to blame for deferring the ratification. The Socialist Group feels it has to disagree with Mr Klepsch on this interpretation.

The fact is that the French State is the owner of the French potassium mines and, apart from political reasons (and here Mr Klepsch is right), the French Parliament has more than anything reacted to resistance to the Convention on the part of the Alsatian population. Alsace is afraid that if the chloride Convention comes into effect it will result in unemployment. Groundless arguments may possibly have been adduced, such as the alleged ecological objections to the injection method, but the fears about unemployment are in every way justified. Now if the French Government had offered some kind of help to the Alsatian population, then things, to our way of thinking, would probably be different. Unfortunately, the French Government did nothing except to remove the ratification three times from the agenda of the National Assembly, and that is why the French Government has to be censured.

The governments of the Rhine countries are fighting like squabbling neighbours, and the people look on in helpless fury. Meanwhile the Rhine stays polluted, or rather — worse still — grows more polluted day by day. As Europeans, we have to let the governments go their way and hope for the best, although to me the chances seem slight in view of France's attitude. But I also believe that we cannot just let things drift: that won't wash with the people who elected us. The Rhine has to be cleaned up. We therefore feel that the European Community itself should at least make an effort. There are various ways it could do this and we ask the Commission to study them imaginatively, intelligently and energetically and to submit proposals to Parliament in six months' time. For example, the Commission could see whether something could not be done under the Directive of 4 May 1976 on pollution caused by certain toxic substances released into the Community's water environment. Or perhaps the

## Muntingh

Commission could produce a special regulation on salt, as has already been done in the case of titanium dioxide. The Commission should also see whether the proposal for a European Convention on the protection of international waterways, like the Council of Europe's proposal, could not be put into rapid application. There are enough ways of doing something, it seems to me, if only the will is there.

I shall close by reminding the Commission of an idea which, to the best of my knowledge, came from the Commission itself, and that is to set up an international agency for the Rhine basin. According to Professor Kiss, of the University of Strasbourg — I repeat, Strasbourg — this agency could even perform a political function under the direct control of the directly-elected European Parliament. I feel that Parliament ought to look further into this idea, since all that governments are now doing is to flounder in the mud. One last point: Mr Oehler tabled an amendment to our motion for a resolution, and in order to simplify matters and speed up the debate I would like you to know that this amendment is acceptable to us.

IN THE CHAIR: MR ROGERS

*Vice-President*

**President.** — I call Mrs Maij-Weggen.

**Mrs Maij-Weggen.** — (NL) Mr President, I shall try to keep to the five minutes, even though this is a very important matter. That is evident from the fact that three motions for resolutions have been tabled on the pollution of the Rhine. In the last few years, the Rhine has been shamefully transformed from a lovely, living river to a poisonous, dead watercourse, and the biggest problems caused by this pollution are to be found in my country, the Netherlands, through which the last part of the Rhine flows before it reaches the sea.

Let me give you some figures about what the Netherlands has to absorb each year *via* the Rhine: 27 tonnes of mercury, 400 tonnes of arsenic, 130 tonnes of cadmium, 1 600 tonnes of lead, 1 500 tonnes of copper, 1 200 tonnes of zinc, 2 600 tonnes of chromium and 12 million tonnes of chlorides. That is what we are talking about, and I have said nothing about insecticides and phosphates. Mr Muntingh told us some of the stories that are going the rounds in our country about the Rhine. Let me tell you the latest joke: nowadays, if you want to get your films developed, you can simply throw them into the Rhine. Ladies and gentlemen, if you allow the significance of this list to come home to you, then you can perhaps understand that Germany, but also and above all the Netherlands, are reduced to the last extremity. After all, a good 20 million people depend on the Rhine for their drinking water and many agricultural and horticultural enterprises have to use Rhine water every day for their produce. Little by little

this has led to an intolerable situation, both in the Netherlands and in Germany.

For a number of years, the Rhine countries have been meeting regularly in order to try to reach agreement on measures to reduce this pollution, and one of the first and most important was the Rhine chlorides convention. In 1976, all the riparian States, including France, signed this agreement, under which the discharge of chloride — 12 million tonnes are dumped in the Rhine every year — was to be limited.

Out of the 12 million tonnes transported by the Rhine every year, 40 % comes from the potassium mines in Alsace, and it is precisely France, who to a large extent is responsible for this salt pollution, that refuses to keep to its undertakings under this convention. Last week, the French Government again, for the third time, did not dare put the convention on the French Parliament's order of business because it was apparent — we must be honest on this point, Mr Muntingh — that the majority of that Parliament was not ready to support the chloride convention. The majority, and I say this with a feeling of gratitude, was not formed by Christian Democrats or by Liberals; the humiliating majority was formed by the groups that have always given solidarity so high a place in their manifesto, Mr Muntingh.

How seriously the Netherlands are treating this matter is clear from the fact that the Netherlands Government has recalled its Ambassador from Paris. Such a thing has never happened before in the European Community countries.

I know that all the problems will not be solved when, and if, France signs the chloride convention. I know that Alsace would then have to process a part of the salt itself. But I also know that the possibilities for this exist. True, none of them is ideal and they all cost money, but every one is feasible and it is a better solution than simply dumping the salt in the Rhine and loading the problem onto other countries. On top of that, the other riparian States have shown they are ready to help France financially to solve the problems.

There is no other course for this Parliament, which has launched so many activities relating to trans-frontier pollution problems, than to have a debate on the matter. Three motions for resolutions are on the table. My group has done everything it could to agree on a resolution, and I am particularly sorry that, at the moment when we had arrived at a reasonably acceptable formula, the Socialist Group came forward with its own motion in a wording that is not acceptable to us because it wrongly apportions the blame unilaterally. It is also unacceptable because it is full of proposals whose only effect would be to delay the solution. We did not find it necessary in our motion to put any emphasis on the question of blame. It would be better for the debate on this subject to take place where it belongs — namely, in the French Parliament. We do,

**Maij-Weggen**

in our motion, call on France — the French Parliament and the French Government — to manifest that solidarity and sense of responsibility which befits an honourable member of the European Community.

Our motion also invites the Commission to propose additional and further-reaching measures with all speed. On this point Parliament has already taken various initiatives, and our group did the same last summer. We request the Commission to press on with the preparation of their proposals. I must once more insist that it is of the greatest importance for Parliament to have a debate on this matter. We realize that three motions have been tabled which may cancel each other out. For that reason we are ready to support the motion tabled by the Liberals. The Liberal and Christian-Democratic motions are not mutually exclusive, but in many points are complementary to each other. I call on the majority of this Parliament to vote with us.

**President.** — I call Mr Berkhouwer.

**Mr Berkhouwer.** — (NL) Mr President, the statements made by the preceding speakers show clearly why the question of the pollution of the Rhine has been, for some considerable time already, a subject of constant and keen concern.

Already this spring, in the old Parliament, we instigated a discussion with the Council under the French President then in office. At the time, he anticipated that the convention could be put before the French Parliament in the autumn of the same year. That submission to Parliament has been withdrawn. Thereafter, in the middle of last month, we tabled an ordinary motion for a resolution which is now being discussed by the responsible committee of this Parliament. That committee has appointed one of our British Members as rapporteur. Perhaps this is a good thing; someone from Great Britain will be able to produce a report with maximum objectivity on this question. But when it appeared that the matter had reached a stalemate, we put an oral question with debate to the Council at the beginning of this part-session. The Council cited the rules about the time for handing in questions, with the result that there can be no further discussion with the Council in this part-session and the question will be dealt with at the next. In order to raise this matter for discussion at this part-session, we finally tabled the present motion for a resolution, with request for urgent debate, which is in some ways different in nature from the motion put forward by the Members in the Christian-Democratic and Socialist Groups. Our objection to those motions is that they are principally aimed at the government and/or parliament of one of the Members States: we respect, of course, the fact that they have opted for this policy, but it is our opinion that the representatives of our European peoples should see this question primarily in a Community setting and there enter into discussion

with the Community Institution with the highest Community authority — i. e. the European Council — at its next meeting. It seems to us likely that, in a matter of such importance, one or more governments will want it placed on the agenda, and we feel the time has come for initiatives to be worked out and Community anti-pollution legislation to be drawn up for all vital surface-water resources in the Community.

That is, briefly, the purport of our motion for a resolution, and I ask Parliament to adopt it.

**President.** — I call Mrs Maij-Weggen on a point of order.

**Mrs Maij-Weggen.** — (NL) Mr President, there seems to be some misunderstanding about our voting intentions. I therefore repeat that we stand by our motion for a resolution, but I have very emphatically stated that we have nothing to say against Mr Berkhouwer's motion. We naturally stand by our own, which, normally, will be put to the vote.

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

**Mr Johnson.** — Mr President, Coleridge, you may recall, said:

'The river Rhine, it is well known,

Doth cleanse the city of Cologne.

But tell me, Nymphs, what power divine

Can ever cleanse the river Rhine?

This is sometimes referred to as the Ode to Cologne.

(Laughter)

Now, Mr President, this is actually a matter of great importance even for a country like Britain which is not touched, except indirectly, by the Rhine. The fact that you have no fewer than three resolutions on your table today, I think, indicates how important it is. The fact that a major riparian state has been unable to ratify the Convention on the salt pollution of the Rhine, in spite of having expressed intentions to do so, is a matter of concern, I think, to the whole Community, to all of us. The three motions for resolutions which you have all move in the same direction. Our group can and will support the thrust of them.

I would say just one thing, Mr President, because I know you want us to be very brief. The motion put forward by the Christian-Democrats calls upon the Commission to propose, within the framework of Community policy on the environment, additional and more far-reaching measures to combat pollution of the Rhine. We all know what happens when this House calls upon the Commission to do more than it is already doing on the environment. Mr Tugendhat will tell us

**Johnson**

there are no staff in the Commission to take on new tasks. I would beg him, Mr President, not to give us that answer today. Do not give us that answer today, Christopher Tugendhat, because this Parliament, at its sitting of 7 November, approved increases of staff as a special package for the environment and consumer protection. As the Commission has now indicated that it will play its part, to use President Jenkins' words, in the budgetary procedure which must now follow the rejection of the budget yesterday, I hope this point will be taken on board. I shall say no more than that.

**President.** — I call Mr Wurtz.

**Mr Wurtz.** — (F) Mr President, ladies and gentlemen, I have carefully re-read the Socialist motion that we are discussing on the pollution of the Rhine, and I tell you that this text is the work of Members of Parliament who either know very little about the subject or else have deliberately concealed the essential facts — for two reasons: firstly, to camouflage what is really a struggle for the redeployment of the European salt cartel as an anti-pollution campaign and, secondly, to win acceptance for the idea that this matter concerns the European Assembly, whereas it is the exclusive province of the French Parliament. I shall therefore, so that everyone should clearly understand what is at issue, fill in the gaps in this document.

On reading the Socialist motion for a resolution, an uninformed person would ask several questions. I shall list four of them.

First question: where do these harmful and toxic substances polluting the Rhine come from? Answer: to a large extent, from the Basle, German and Franco-Belgian chemical plants, to which the Socialist motion does not even refer. They also come from the salt discharged into the Rhine by the Alsatian potassium mines, where sodium chloride is brought out of the ground at the same time as potassium.

Second question: can nothing else be done with this salt than throw it in the Rhine, as is now being done, or bury it underground in Alsace, as laid down in the Bonn Convention? Answer: yes, it can be crystallized for use, firstly as kitchen salt and not in replacement of the salt currently marketed in France, secondly as a road dressing, and thirdly, and above all, as a feedstock in the chemical industry — because, you see, you do not have to be a high-level chemist to know that sodium chloride is chlorine plus soda, two products that no country is in the habit of throwing in the dustbin — that is to say, no country except France.

Third question: why do the Alsace potassium mines, a nationalized enterprise, discharge into the Rhine this product that they could use to supply soda-works and a plastics firm? Answer: because the French Government categorically refuses to give to the national enterprise the permission to use this salt, that it has been asking

for, the reason being that the French Government is serving the ends of the privately-owned European salt monopolies — PACF, AXO, Solvay, Rhône-Poulenc and Pechiney-Ugine-Kuhlman. These monopolies, formed into cartels over 60 years ago, are exerting pressure on the French Government to weaken and, if possible, oust completely their Alsatian competitor, which is, I repeat, a public enterprise. That is the real truth. It is, in any case, an open secret, and I am surprised that the Members dealing with this case should not be aware of this salient fact. I cannot believe it. I therefore conclude that some of you are deliberately concealing this scandal.

Fourth question: why do the Alsace potassium mines attract such envy on the part of the salt cartel and such malevolence on the part of the defenders of that cartel? Answer: the reason is simple. This big French enterprise, the only potassium producer and supplier in France, is — in its sector — a key obstacle to the redeployment of the multinationals. If these firms could bring about its conversion, in other words its liquidation, not only would this guarantee their continued absolute control of the traditional salt market but in addition the way would at last be open for them to grab the French potassium market too. As I have said, potassium is the basic element in the fertilizer of which French agriculture — that agriculture that bothers you so much — is such a big consumer. You must admit that it is tempting. As you see, it all slots into place. Those who know this and nevertheless support the Socialist motion are consistent in their way — i.e. in their defence of the multinationals. They are the same people in the forefront of the attack on the common agricultural policy, French coal and Alsatian potassium. We Communists, by rejecting the Socialist motion and all the others on this point — I am surprised that Mr Sutra should interrupt me at a time when I am defending French farmers — are consistent in our defence of industrial and farm workers — including, I would add, Dutch farm workers, as I have just shown. We are against the discharge of considerable quantities of salt into the Rhine that could be turned to account and used.

Now read the Socialist motion again and try to find the information I have just given you. It is not there. I would therefore invite you to think again about this and the other motions, because in substance they are all the same.

I am not here to try to convince you, you the Socialists and you on the Right. In substance, your motions are all the same. But I tell you that, in this battle as in all those which challenge the interests of French sovereignty, you will, whether you like it or not, find us barring your path. This is something that you — French Members and others — must realize: our nation has solid traditions and a great Communist party, a powerful class union. You cannot do just what you like with it. France is France, and you will have to come to terms with it.

### Coppieters

**President.** — I call Mr Coppieters.

**Mr Coppieters.** — (NL) Mr President, I do, true enough, agree with the general drift of the Socialists' motion for a resolution, but I would like to point out that Mr Wurtz's arguments are well-founded, although his conclusion surprises me very much. He is defending French nationalism because France, under the cloak of regionalism, has transferred control of the Rhine from Alsace to Paris.

But Mr Berkhouwer's statement also surprises me. When he contends that we must be careful because some European problems, like the present one and the problem of the multinationals, are the responsibility of national governments, I would like to ask Mr Berkhouwer why, if that is so, we adopt resolutions on international problems involving countries outside the Community and even in other regions of the world. If we cannot pitch into some Member States' governments, if we cannot speak out when they adopt an attitude that is really harmful, not only for health but also economically and socially, why are we in fact sitting here?

I shall support this motion for a resolution, not because it is perfect but because we must take a stand and because otherwise we should be thorough hypocrites.

**President.** — I call Mr Schieler.

**Mr Schieler.** — (D) Mr President, I would firstly like to make a point for the ears of the earlier Communist speaker. The issue here is not a battle over the European salt cartel but the preservation of something that is a vital need for 20 million people in the Rhine basin. That you seem to have forgotten.

*(Applause on various benches)*

Ladies and gentlemen, the Rhine carries an annual load of 12 million tonnes of salt. That would be enough to build a wall 12 metres high and 1 metre thick along the whole 1000-km length of the river itself. According to the annual reports of the riparian states, the Rhine's oxygen shortfall has risen to 60 %. Experts know that, if water supplies diminish, the salt content of the water increases. These things being so, urgent measures are essential to protect the water of the Rhine in the interests of the population living near and off this river and also in the interests of agriculture, Mr Wurtz, particularly in the Netherlands, which uses this water for its farm produce.

The chloride Convention of 3 December 1976 is only a first, though important, step towards cleaning up the Rhine for the reason that, if the Convention is applied, only 15—20 % of the amount of salt discharged into the river can be prevented. Consequently, ladies and gentlemen, the refusal of the French Government to put the chloride Convention before the French Parliament is unjustifiable and, in my view, scandalous.

The European Parliament should make it clear that it does not approve what France has done. The measures to reduce the salt load do not, in our view, admit of any further delay. It is the task of the Community too — and therefore the Commission — to make proposals that will help to solve this problem.

**President.** — I call Mr von Wogau.

**Mr von Wogau.** — (D) Mr President, ladies and gentlemen, the convention on cleaning up the Rhine, signed in 1976, was a milestone in the efforts to free this river of pollution. It is not working, because we are repeatedly forced to observe that the fish, for example, in the Rhine now have to be restricted to salted herring because of the intense salt pollution. The situation is of crucial importance for the populations of the riparian states, and for that reason it was bad news for all Europeans when the French National Assembly refused to put the ratification of this convention on its agenda.

Now I would like to say something directly to the Socialist Group and also to Mr Schieler, who just spoke. The fact is that it is the Socialists, jointly with the Gaullists and Communists in France, who are responsible for this convention not being on the agenda. With a certain pride, I can say that the Christian Democrats in the European countries all speak with one voice on this point. I wish this were the case with the Socialists as well and that the Socialist Group would also state here that this is not a problem that can be solved at the national but only at the European level.

I would add, ladies and gentlemen, that I have every understanding for the difficulties that have arisen in Alsace and also for the anxieties of the population there, but it is my opinion that these difficulties can be better solved within the framework of an agreed convention, particularly since, as we all know, certain financial contributions have already been made. For this reason, we call on the French National Assembly to ratify this convention as soon as possible.

**President.** — I call Mr Oehler.

**Mr Oehler.** — (F) Mr President, ladies and gentlemen, I am speaking now first and foremost as an Alsatian.

For me to speak in these circumstances is certainly not easy, because, once again, the French Government has been incapable of shouldering its responsibilities. The point is that the French Government has negotiated and signed a convention on the chloride pollution of the Rhine which is aimed at only one polluter and exposes only one, French, region — Alsace — to all the risks implied by the technical solution specified in the convention for reducing the release of chloride into the Rhine.

This technical solution was adopted without consulting the Alsace population or its local representatives. In

**Oehler**

addition, the French Government has done nothing to develop some other technological solution that would be acceptable to everyone, even though, for years, the French Parliament has been against ratifying the Convention because of the risk that injecting salt underground would present to the water-table of southern Alsace. Finally, it was forced to default from its obligation to ratify the convention. During this time, the pollution of the Rhine has gone on. This is why the European Parliament must take a more responsible attitude and instruct the Commission to submit proposals to it in six months' time for solutions which protect the economic and ecological interests of the regions concerned and Alsace in particular.

I would like to thank our Netherlands friends here present for the efforts they have made — we have been discussing this together for at least eight days — not to find a nationalist solution but to find a European one.

We therefore propose, with our Netherlands friends who accepted this a moment ago — an amendment whose purpose is to identify other methods for absorbing the pollution of the Rhine. The charge of speaking two languages, of which I am accused by the Communist party, I reject, primarily because there are seven million workers involved and a whole region. As Member of the European Parliament, my duty is to look for European solutions together with my colleagues — and for them.

**President.** — I call Mrs Moreau.

**Mrs Moreau.** — (F) Mr President, as Member of this European Parliament and as a member of the French Parliament serving on that Parliament's production and trade committee I would like to confirm to all the speakers that very thorough technological research has been carried out in which a very large number of alternative solutions were examined, ranging from the underground disposal of brine and the setting up of salt-works to the shipment of salt and its dumping in the North Sea. Recently, a mission from my own committee spent several days in Alsace to study all the aspects of the case with experts and to hold detailed technical investigations. What the Alsatian Member has just said is correct. We are committed to the idea of depolluting the Rhine and, for my part, I shall vote for the motion for a resolution tabled by the European People's Party. However, it is of course essential for you to know, as my colleague has just explained, that there can be no question of depolluting one region only to pollute another. We French Members of Parliament are determined to settle this problem very quickly, and I can assure you that during the spring session a resolution will be decided and a vote taken. Meanwhile, the first thing to do is to study the technical research findings.

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Member of the Commission.** — Mr President, the longer I listened to the debate, the more

convinced I became that Mr Berkhouwer's wise remark that it was fortunate that the Commissioner concerned came from a country that does not border on the Rhine was very apt. I dare say you had the same view. Clearly, this is a problem which not only arouses very strong emotions but is also a very serious matter in itself, which is indeed why it does arouse strong emotions.

The pollution of the Rhine and in particular the problem of the high chloride content on the Dutch-German border has been the object of research and negotiations which, within the International Commission for the Protection of the Rhine against Pollution, have lasted for ten years or so. These negotiations led to the drawing up of a Convention on the Protection of the Rhine against Pollution by Chloride, which was signed in Bonn on 3 December 1976. The Commission, conscious of the political importance of this problem, has followed the preparatory work with great interest as well as the negotiations between the Rhine states, and is delighted with the progress which led to the signing of the convention. The Commission, however, did not sign the convention, because it considered that the problem of the reduction of chlorides in the waters of the Rhine is first and foremost a problem for the Rhine states which are responsible for that pollution. In addition, the Rhine states did not ask the Commission to participate, and some years ago, when the Commission proposed that it should do so, its initiative was not followed up.

Again in Bonn in 1976, another convention against chemical pollution was signed which is certainly no less important than the convention on salt. The Commission participates actively in this convention, which was signed and ratified by all the Rhine states. This participation has borne fruit, and the international commission responsible for the implementation of the convention is about to present for the first time a recommendation to the Rhine states for a decision regarding limits on discharges of mercury into the Rhine.

Mr President, I gave that brief introduction in order to explain what exactly the Commission's *locus standi* in all this is. It might now be helpful for me to bring the House up to date on our latest information.

A meeting of heads of delegations of the Rhine Commission was held yesterday in Brussels. During the meeting, all the aspects of the Rhine pollution problem were examined and discussed in detail. A standstill agreement has been prepared regarding the thermal pollution and will be submitted to the next ministerial conference for approval. A recommendation for a decision on emission norms of mercury from the chloralkali industry will be submitted to the contracting parties for adoption.

The French delegation has explained in detail the decision taken by the French Government not to submit

**Tugendhat**

the chloride convention to its parliament for ratification. The French delegation has, however, underlined the determination of France to maintain the objectives of the convention and to find as soon as possible a solution which is balanced and acceptable to all the interested parties. The German, Luxembourg, Dutch and Swiss delegations have noted with regret this French decision. They consider that the best starting-point for a reduction of chloride pollution of the Rhine should be found on French territory and that a first step, of reducing by 20 kilogramme-seconds the discharges of chloride from potash mines in Alsace, should be achieved without delay. These delegations appreciate the will of the French Government to maintain the objectives of the Convention and will study carefully the French proposition to complete, with other measures, the conceptions already agreed upon in the Convention. Having regard to the wish of all the delegations to obtain as soon as possible concrete results, the Heads of Delegations have decided not to discuss the question of reimbursing financial contributions which have already been paid to France.

The Heads of Delegations have expressed the unanimous opinion that the globality of the problems concerning the reduction of chlorides in Alsace should be discussed as soon as possible at a conference of the competent ministers of the interested states of the Rhine. They propose to their governments to hold this conference as soon as possible. The exact date will be defined by the President of the Commission in agreement with the governments. In order best to prepare this conference, the Heads of Delegations will meet in January 1980 to examine proposals on the reduction of pollution by chlorides which will, in the meantime, be submitted by France.

The Commission considers these results achieved by the Heads of Delegations to be encouraging. It invites all the interested parties to collaborate and contribute actively towards reducing the chloride content as well as that of the other pollutants in the Rhine.

To conclude, Mr President, the Commission has proposed, and the Council has adopted, several directives concerning water-quality objectives which apply to all Community rivers as well as to the Rhine. More specifically, a directive concerning the required quality of surface-water intended for the abstraction of drinking-water was adopted in 1975, but so far as the Commission knows the directive, which could contribute to a cleaner Rhine, is not yet fully implemented by all Member States, and a warning letter was sent by the Commission on 3 July 1979.

The Commission is ready, I am happy to say to Mr Johnson, to propose additional and more far-reaching measures, as suggested in the motion for a resolution; but account has to be taken of the limited sources of manpower available. Now I know that Mr Johnson said that I was going to say something about manpower, and

I will say two things, Mr President. One is that, of course, our manpower is weaker than it was, because Mr Johnson has left the Commission in order to come to the European Parliament. The second is that I would remind him of the important event which occurred yesterday, when the Parliament rejected the budget, and therefore what he had to say about all these marvellous new staff who are going to be given to the Commission in the budget has, I fear, fallen along with various other aspects of the budget, and I think he ought to remember that, if I might say so . . .

**President.** — I hope the Commissioners are not going to waste time by scoring political points.

*(Applause)*

**Mr Tugendhat.** — . . . I agree that I certainly should not score political points. But anyway, we do have limited resources and I do not think, Mr President, that it would be possible for us to submit within 6 months the proposals which are necessary.

The Commission considers that the engagements which were taken yesterday by the Heads of Delegations and the Rhine River Commission, and the programme of their activities, especially the ministerial meeting which will be held at the beginning of next year, provide hopeful signs that there will be effective and quick action. The representatives of the European Commission will follow and participate in these activities and contribute fully to their achievement, which should be carried out as quickly as possible. We shall be pleased to inform the Parliament at regular intervals of the progress made, but I hope the Parliament will accept that there are no miracle solutions to a problem which has been studied for 10 years and that perhaps at this stage a parallel initiative by the European Commission might delay rather than speed up the agreements which I hope are now in train, even though we are not ourselves able to play as active a rôle as the House would like and as we should like.

*(Applause)*

**President.** — I call Mr Pannella.

**Mr Pannella.** — *(F)* Mr President, the Bonn Convention is certainly not perfect, and some points made by the speaker are correct. The Socialist motion for a resolution is not perfect either, but our first problem is to assert our authority in so serious a field: we must intervene.

Some Members have defended a certain technology, a brutal production-at-all-costs logic. Though part of the Left, they go even as far as defending a public sector which they claim elsewhere to be in the hands of the worst elements of the Right.

## Panella

In my opinion, Mr President, the primary purpose of the Communist speech was not to fight pollution but to fight the Socialists. I myself shall be voting for the Socialist motion, although I would point out to our Socialist friends that they should not confine themselves to tabling this motion, they ought to be here in greater numbers to vote on it, because they are the majority group in the Assembly.

**President.** — I call Mr Sutra.

**Mr Sutra.** — (F) Mr President, I tried to interrupt Mr Wurtz a moment ago in order to ask him not to point the finger solely at the Socialist Group but to include the motions of the Right as well. I believe my attempt bore fruit, because, at the end of his speech, he twice kindly conceded that the motions tabled by the Right were as bad as ours.

IN THE CHAIR: MRS VEIL

*President*

**President.** — The debate is closed. The vote will be taken at the end of the sitting.

15. *Refugees in the Horn of Africa*

**President.** — The next item is the motion for a resolution tabled by Mr Vergeer and 21 other signatories, on behalf of the Group of the European People's Party (C-D), on the tragic plight of refugees, particularly children, in the Horn of Africa (Doc. 1-594/79).

I call Mr Vergeer and ask him, in view of our obligations to the staff, to be extremely brief.

**Mr Vergeer.** — (NL) Madam President, I shall be happy to comply with your kind invitation, even if only because of the fact that I too feel that we should not keep the staff any longer than is strictly necessary.

That does not, however, mean that I do not deeply regret the fact that so important a subject has to be dealt with in a couple of minutes.

We found it necessary to take an initiative and to table a motion for a resolution on the refugees, and in particular the children, in the countries of the Horn of Africa. I feel that, particularly in this Year of the Child, they have a right not only to our consideration but also to our help. You need no detailed reminder from me of the fact that Africa is going through a very dangerous phase in its history. We all know that there have been civil wars that have given rise to intervention by other countries and that, at the human level, these crises and wars have had particularly grave consequences in recent years. Millions of Africans have had to leave their own country and seek shelter elsewhere as refugees. At this moment it has been established that the number of

refugees in Africa — I am quoting the figures of the Organization for African Unity — has reached the record level of over 4 million and that, of these 4 million, over 2 million — more than half of them children — are in the Horn of Africa.

We felt it was necessary to table a motion for a resolution as quickly as possible and to state in it that a contribution should be made by us in order to improve the situation as swiftly as possible.

It may be argued that emergency situations prevail elsewhere as well, but our responsibility is greater in this case, because the problem concerns four countries with which the European Community, *via* the Lomé Convention, has special relations.

I shall not, therefore, discuss the motion for a resolution in any more detail but simply ask Parliament to support it, for which I thank the Members sincerely in advance.

**President.** — The debate is closed. The vote will be taken at the end of the sitting.

16. *Marketing of seed potatoes*

**President.** — The next item is, without debate, the report by Sir Henry Plumb, on behalf of the Committee on Agriculture (Doc. 1-595/79), on

the proposal from the Commission to the Council for a directive amending Directive 66/403/EEC, on the marketing of seed potatoes.

I note that no one wishes to speak.

The vote will take place in a moment.

17. *Votes*

**President.** — The next item comprises the votes on motions for resolutions on which the debate is closed.

We begin with the *Muntingh et al motion for a resolution (Doc. 1-592/79): Pollution of the Rhine.*

I put to the vote the preamble and paragraphs 1 to 2.

The preamble and paragraphs 1 to 2 are adopted.

On paragraph 3, I have Amendment No 1, tabled by Mr Oehler and replacing this paragraph by the following two new paragraphs:

3. Instructs the Commission to submit to it within a maximum period of six months proposals that take account of the various options, while respecting the economic and environmental interests of the parties and regions affected;
- 3a. The Commission proposals should make provision for:
  - the ratification of the Convention on the protection of the Rhine against pollution by chlorides, to be amended by an additional protocol which would

## President

not call into question the principle of reducing the discharge of waste by the Mines de Potasse d'Alsace as laid down in the Convention and would fix a technical method of reducing the pollution in question,

- possible implementation of the Convention on chemical pollution in respect of pollution by chlorides,
- the laying down of Community measures aimed at reducing the pollution of the Rhine by chlorides,
- the Council of Europe Convention on the protection of international waterways against pollution;

I call Mr Wurtz for an explanation of vote.

**Mr Wurtz.** — (F) I wanted to say that it is because this amendment changes absolutely nothing to the substance of the approach that we reject it. It is like putting a splint on a wooden leg, an example of double talk which does not affect the substance of what we have said. The French Government has to be forced to stop supporting the European salt cartel — these monopolies whose names infuriate you when they are quoted. The government has to be prevented from continuing to obey their instructions and the Alsatian potassium mines have to be allowed to use this salt instead of throwing it away into the Rhine or burying it underground.

**President.** — I call Mr Oehler.

**Mr Oehler.** — (F) As the author of this amendment, I deny what Mr Wurtz has said. In the negotiations with our Netherlands friends, we talked about the various problems to be solved, including the setting up of a salt-works and breaking the salt monopoly.

**President.** — I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I put paragraph 4 to the vote.

Paragraph 4 is adopted.

I put the motion for a resolution as a whole to the vote.

The resolution is adopted. <sup>1</sup>

I call Mr Enright to give an explanation of vote.

**Mr Enright.** — Madam President, Mr Panella made a totally unjustified attack upon the proposers of this resolution, and therefore I voted for it with all the more eagerness. He talked about us doing things practically when he himself, who talks about world hunger, talks about what should be done, goes out and is nowhere near the GATT talks last night. The Tokyo Round has nothing practical to say upon it. I really deplore the way

in which Mr Pannella brings into this sort of debate grand statements without actually doing anything about it.

**President.** — I call Mrs Maij-Weggen to give an explanation of vote.

**Mrs Maij-Weggen.** — (NL) Madam President, I just wanted to tell my Socialist colleagues that I abstained from voting on their motion for a resolution because I feel that its ultimate purpose — depolluting the Rhine and keeping it depolluted — is the same as that of ours.

**President.** — I now put to the vote the *Maij-Weggen et al motion for a resolution (Doc. 1-597/79): Pollution of the Rhine.*

The resolution is adopted. <sup>1</sup>

**President.** — I put the *Berkhouwer et al motion for a resolution (Doc. 1-601/79): Pollution of the Rhine.*

The resolution is adopted. <sup>1</sup>

I call Mr Muntingh to make a personal statement.

**Mr Muntingh.** — (NL) Madam President, during the debate on the Socialists' motion for a resolution, Mrs Maij-Weggen mentioned my name, saying that I should be honest. That will appear in the report of proceedings. I feel that my good name and honour have been impugned and I would like to ask her to withdraw this statement, because I cannot remember having been dishonest.

**President.** — I call Mrs Maij-Weggen.

**Mrs Maij-Weggen.** — (NL) Madam President, I have nothing to add to or take away from my statement.

**President.** — All these statements will be reproduced in the report of proceedings.

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**President.** — I put to the vote the *Vergeer et al motion for a resolution (Doc. 1-594/79): Refugees in the Horn of Africa.*

The resolution is adopted. <sup>1</sup>

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<sup>1</sup> OJ C 4 of 7. 1. 1980.

**President.** — I put to the vote the motion for a resolution contained in the *Plumb report* (Doc. 1-595/79): *Marketing of seed potatoes*.

The resolution is adopted.<sup>1</sup>

#### 18. *Political groups*

**President.** — I have just received the following letter from Mr Bonde, Mr Blaney and Mr Pannella:

We should be obliged if you would communicate to the Parliament the following change in the composition of the Bureau of the Group for the Technical Coordination and Defence of Independent Groups and Members: Mr Marco Pannella has replaced Mrs Bonino as co-chairman; Mr Maurice Coppieters is no longer co-chairman. The Bureau is therefore composed of the following three co-chairmen: Mr Bonde, Mr Blaney and Mr Pannella.

I have read out this letter because I have been asked to ensure that it is officially communicated to the Parliament without delay and published in the Official Journal of the European Communities.

#### 19. *Dates of the next part-session*

**President.** — There are no other items on the agenda. I thank the representatives of both Council and Commission for their contributions to our debates.

The enlarged Bureau proposes that our next sittings be held at Strasbourg during the week from 14 to 18 January 1980.

Are there any objections?

That is agreed.

#### 20. *Approval of the minutes*

**President.** — Rule 17 (2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of this sitting, which were written during the debates.

Are there any comments?

The minutes of proceedings are approved.

I call Mr Balfour.

**Mr Balfour.** — Madam President, I wish to inform the House, before you close this sitting, and on behalf of the European Democratic Group, that we shall be drawing to the attention of yourself, Madam, as the President of this institution, the remarks allegedly made by Mr Lenihan, the President-in-Office of the Council, on the BBC 'World Tonight' programme yesterday, and that we shall be asking for action to be taken.

**President.** — I call Mr Pannella.

**Mr Pannella.** — (F) On behalf of the Members in my group but others too, I am sure, I would like to extend to you and to Parliament as a whole our best wishes for the new year.

**President.** — Thank you, Mr Pannella. I wanted, in fact, to say that my purpose in taking the chair at the end of this sitting was to convey to you my best wishes, although I shall have an opportunity of repeating them at the beginning of the New Year. I wish you all a Happy Christmas and a comfortable journey home in spite of the physical inconveniences which may arise. I hope you will be able to forget the troubles we have had and wish you unmitigated joy.

I hope and trust it is our common wish that our Parliament will acquire greater strength to work towards our goal and, in particular, that, together and with one accord, we make the utmost effort to improve the situation of the citizens of Europe who sent us here. By what we do, we must show ourselves worthy of the confidence which not only they have placed in us but also the world outside has shown on more than one occasion.

I thank you for the great attention with which, despite the difficulties of various kinds that we have had, you all have followed our work during the last six months, and particularly for the feeling you have shown for our Institution, to which I can already feel that we are all deeply attached.

I also wish to convey my sincerest wishes to the whole of our staff. It is thanks to them that we have been able to do our work and, in sittings which have sometimes been long and difficult, bring it to a successful conclusion. At all times they have given us their full cooperation.

It is my wish that the staff should feel themselves associated with us in our work. We must never forget that their contribution is not only of a technical but also of an intellectual, emotional, psychological nature and that they, as much as we ourselves, are attached to this Parliament and to the work we do here. We hope to be able to continue working with them in the same spirit. It goes without saying that I offer them and their families my own personal wishes.

(Applause)

#### 21. *Adjournment of the session*

**President.** — I declare the session of the European Parliament adjourned.

The sitting is closed.

(The sitting was closed at 1.25 p.m.)

<sup>1</sup> OJ C 4 of 7. 1. 1980.

