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NOTE TO READER

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

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

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IN THE CHAIR: MR PFLIMLIN

President

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

1. Resumption of the session

President. — I declare resumed the session of the European Parliament which was adjourned on 16 November 1984.¹

2. Tribute

President. — Ladies and gentlemen, we have learned with sorrow of the death of our colleague Mr Jürgen

Brinckmeier. Born on 16 April 1935 at Plauen, Mr Brinckmeier was a Member of our Assembly since his election by universal suffrage in 1984. A member of the Socialist Group, Mr Brinckmeier sat on our Parliament's Committee on External Economic Relations.

He earned the esteem of all those who, during this all too brief period, saw him at work.

On behalf of you all I express my sincerest condolences to our colleague's family, as well as to the political group to which he belonged.

I ask you to observe one minute's silence in memory of our colleague.

(The Assembly rose and observed one minute's silence)

3. Agenda

President. — At its meeting of 13 November 1984 the enlarged Bureau drew up the draft agenda, which has been distributed.

¹ Approval of Minutes — Waiving of the immunity of a Member — Petitions — Transfers of appropriations — Withdrawal of a motion for a resolution — Changes in referrals — Documents received — Texts of treaties forwarded by the Council: see Minutes.

President

At this morning's meeting the political group chairmen instructed me to propose a number of changes.

On *Monday*:

- the vote on the report (Doc. 2-1105/84) by Mr Donnez will take place immediately after the debate;
- since the rapporteur on the 1985 budget will not be in a position to inform the House of the Committee on Budgets' deliberations until tomorrow, the budget debate is deferred till tomorrow morning;
- this afternoon we shall consider the report (Doc. 2-1104/84) by Mr Wurtz and the report (Doc. 2-1102/84) by Mrs Wieczorek-Zeul.

Mr Habsburg (PPE). — (*DE*) Mr President, today is International Human Rights Day. I would remind the House that in the United Nations, 36 years ago, the question of human rights was cast in a very clear mould and that this was the work of a great European, the late President René Cassin. I think it is fitting — at a time when human rights are still as important an issue for us in Europe as they ever were — that we should remember this anniversary. If we bear in mind that people were again shot at the Berlin Wall just a few weeks ago it is perhaps important that we in the free part of Europe should go on pronouncing on the subject of human rights just as clearly as the European Parliament has previously done on more than one occasion.

(*Applause*)

President. — Mr Habsburg, your statement is noted.

Mr Pannella (NI). — (*FR*) Mr President, I am afraid I was not paying attention. May I ask what the first item on today's agenda will be, once the order of business has been agreed.

President. — The first item is the vote on the motion for a resolution contained in the report (Doc. 2-952/84) by Mr von Bismarck.

Mr Pannella (NI). — (*FR*) Mr President, that is what I thought you said. Therefore I would like to raise a point of order.

I believe my point is fully justified. Under Rule 71(3) of the Rules of Procedure it must be entered as the first item for the sitting, but Rule 5(4) stipulates that our committee's report should be the first item on the agenda.

You will, therefore, have to reverse the order you have just proposed, by taking first the report of the Legal Affairs and Citizens' Rights Committee on the request to waive Mr Tortora's parliamentary immunity.

President. — Your observation is well-founded. It will be given due consideration.

(*The President read out the changes to the agenda for Tuesday, Wednesday and Thursday*)¹

On *Friday*:

- vote on the procedures without report;
- vote on the reports without debate:
 - report (Doc. 2-1162/84) by Mr Evrigenis;
 - reports (Doc. 2-1159/84; 2-1161/84) by Mr Tolman.

The Council and Commission request the application of urgent procedure pursuant to Rule 57 of the Rules of Procedure on the report by Mrs Viehoff on behalf of the Committee on Energy, Research and Technology on the action programme in the field of biotechnology.

Parliament will be consulted on this request for urgency at the beginning of the sitting of Tuesday, 11 December, and, if urgency is decided, the report will be placed on Friday's agenda, after the votes.

Furthermore, I have received from the Communist and Allies Group a request under Rule 56 to include a debate on the recent US decision to restrict imports of European steel tubing.

Mr Wurtz (COM). — (*FR*) We did make such a request, Mr President, but as the group chairmen are agreed on holding a debate on the matter under the urgency procedure, and as our agenda is already quite a full one, we have no objection to withdrawing our request. We would like, however, to have a statement on this subject from both the Council and the Commission, if the urgency debate takes place.

(*Parliament adopted the draft agenda thus amended*)²

4. *Waiving of the immunity of a Member*

President. — The next item is the report (Doc. 2-1105/84) by Mr Donnez, drawn up on behalf of the Committee on Legal Affairs and Citizens' Rights, on

¹ See Minutes.

² *Deadline for tabling amendments and motions for resolutions* — *Speaking time*: see Minutes.

President

the request for Mr Enzo Tortora's parliamentary immunity to be waived.

Mr Donnez (L), rapporteur. — (FR) Mr President, ladies and gentlemen, for the first time since the recent elections, this House is being asked to rule on the waiving of the parliamentary immunity of one of our Members. I have therefore endeavoured to include as much information as possible in the report before you — without it being exhaustive, for all that — so as to establish genuine jurisprudential guidelines for our reactions and decisions, particularly where the purpose of parliamentary immunity is concerned.

As I pointed out in a recent debate, during the previous term of office of Parliament, and at the request of the Legal Affairs Committee, I supported a good number of requests for the waiving of parliamentary immunity, and we managed to develop, at the time, a genuine system of precedents. I use this term, although it is somewhat inappropriate, to underline the need for us to adopt a strict, unambiguous attitude, at the outset, on the subject of parliamentary immunity, in order to avoid any regrettable excess, whether stemming from the political or national allegiance of one or other Member of our Parliament. We really ought to be able to divest ourselves of such notions as political allegiance or nationality, whenever we are asked to rule on a request for the waiving of parliamentary immunity. We should not — and I shall come back to this — act as judges, but strictly apply the jurisprudence. If we can achieve this, we shall be able to avoid regrettable excesses.

The report which I have the honour of presenting to the House today embodies the legal principles which we established earlier. But it also goes further and refines and strengthens them. Given that the report was adopted, with only one abstention, by this Parliament's Committee on Legal Affairs and Citizens' Rights, I would hope that the House could also adopt it.

I would point out that parliamentary immunity is provided for in Article 10 of the Protocol annexed to the Treaties establishing the Community. This Article is also in the report before you. There is little point in going over it again. Suffice to add merely that as far as the application, both of Article 10 and of the legislative provisions contained therein is concerned, parliamentary immunity is not a privilege. Let us at least get this much clear at the outset. Far from being a privilege, it is a guarantee of the independence given to our parliamentary institution in its relations with all other powers, of whatever nature, to ensure our freedom of movement, action and vote.

It is this guarantee of independence which we have to uphold at all times. This explains in particular, since parliamentary immunity is not a privilege given to an individual Member as such, why no legal effect is

given to a surrender of immunity. The absence of legal effect is explained by the definition I have just given. It does not, of course, mean that we should disregard the opinion of a Member of our House who is the subject of a request to waive immunity. I would go so far as to suggest that we should look favourably on his request, bearing in mind, however, that the request has no legal effect, and draw the appropriate conclusions.

We also have to examine the length of time for which parliamentary immunity is to be granted. The answer to this would appear to be simple, inasmuch as the Court of Justice considers that the European Parliament holds one session annually. Such a definition implies that parliamentary immunity continues to apply, even between part-sessions. Furthermore, bearing in mind the purpose of parliamentary immunity, it covers the entire period of the mandate, irrespective of the date on which the supposed acts were committed. This point needs to be stressed. It has been somewhat disputed, although I feel this has now been cleared up. At any rate, if this report is adopted by the House, the point will no longer be at issue, and this, I feel, would be a good thing.

On the matter of the principles which have to be defined definitively, I would add that this parliamentary immunity is totally independent of the national immunity granted by national parliaments. This is necessarily the case, not that I wish to belittle parliamentary immunity as laid down by one or other of the national parliaments but because we in the Committee on Legal Affairs and Citizens' Rights, in submitting this report to the House, take the view that each national parliament has its own jurisprudence and that we should be totally independent of our respective national parliaments — even if this means running the risk of conflict with one or other of them — so that we may know where we are going, and because it is, I would venture to suggest, one of those rare instances where we can demonstrate that we are a completely independent body, and a true parliament in every sense of the word. Indeed it is one of those rare occasions where this parliament can demonstrate its parliamentary mission. I would, however, insist that the independent stance which I envisage does not belittle what takes place in Bonn, Paris, Dublin, London or Rome but is, if anything, the opposite.

For my part, I would like to see Member State parliaments using the jurisprudence established by this House as a model which would ultimately serve as the basis for a European Community law on parliamentary immunity. Indeed we are in the process of forging such Community law, something which is important from the point of view of principles.

On the basis of these principles the criteria used by us for their application have always been perfectly clear. We have steadfastly upheld parliamentary immunity in those cases where the accusation related to the Member's parliamentary function. This ensures the

Donnez

independence of our institution. To preclude ambiguity I have stated that it is the 'relatedness to parliamentary activity' which should be taken into account. In the present case I have simply stated that all actions which may be considered as forming part of an MEP's activity should be covered by parliamentary immunity.

These are the principles which I am asking the House to adopt; and if I have dealt with them at some length, it is because the specific case before us is only the first, and will surely be followed soon by others. This is why I am asking you to endorse the principles before you so that in all future cases which come before the House we shall know exactly on which specific principle to base our decisions.

I should now like to turn to the specific request to waive the parliamentary immunity of a Member of this House, Mr Tortora.

Mr Tortora has been indicted on two charges in Italy. On the basis of these two charges the Italian judicial authorities have introduced a request to the President of this Parliament to waive Mr Tortora's parliamentary immunity. The matter was referred to our Committee on Legal Affairs and Citizens' Rights and has culminated in the report we are now presenting.

The two charges I have just referred to concern, in the first place, membership of an association, la Nuova Camorra Organizzata, which is outlawed in Italy. It is considered a criminal organization, in common with certain terrorist associations in Italy, and the Italian law provides that anyone belonging to such an association shall be prosecuted by the competent judicial authority.

The indictment forwarded to this Parliament by the Italian judicial authorities also accuses Mr Tortora of drug and narcotics trafficking. Need I add that, in drawing your attention to these two charges, neither I nor the Committee on Legal Affairs and Citizens' Rights, are attempting to take sides. There is even less reason for Parliament to take sides. In a lengthy and very well-written document, Mr Tortora protests to the House his innocence. You have no doubt read what I might call 'the defence' which he has submitted, and it is not for us to set ourselves up as judges. We are not the judges! The Italian judicial authorities, for their part, believe that Mr Tortora is guilty. That is their affair. Mr Tortora protests his innocence. That is his right; just as he is entitled to add: 'To prove my innocence I am asking you to waive my parliamentary immunity, to allow me to appear before the judges of my country'.

I wanted to give an account of all the facts, but without going into the details, for that is forbidden by our internal Rules of Procedure. We must limit ourselves to an examination of the charges, and not the facts which gave rise to it, to ascertain whether it justifies

the request to waive the parliamentary immunity. This is our brief.

I must emphasize the point in order to prevent any misinterpretation, whether of my words, or of the vote when it is taken. It is not for us to state, in the event of the House's following my proposal to waive Mr Tortora's immunity, that he is guilty. We shall not be saying that. I stress the point: we are not his judges. We are simply noting that the indictment against Mr Tortora is not of a political nature, does not concern Mr Tortora's political activity and, on the basis of this consideration alone, his parliamentary immunity should be waived in conformity with the principles which I have outlined.

I trust that the lengthy statement on my part has been sufficiently detailed to permit future requests to waive immunity to be dealt with more rapidly. I would ask your indulgence, while adding that it was indispensable, for a matter of such import calls for thorough examination. I hope that even if I spoke too long, I was at least clear.

Mr Tognoli (S). — *(IT)* Mr President, ladies and gentlemen, I have asked to speak on the question of the waiver of Mr Enzo Tortora's parliamentary immunity in order to emphasize, first of all, the wisdom of the Committee on Legal Affairs and Citizens' Rights in proposing that authority be given for criminal proceedings to be brought against Mr Tortora, to the exclusion of any waiver of immunity from arrest or loss of personal liberty.

I should like to express my appreciation of the correctness of Mr Tortora's behaviour; both before and after his election as a Member of this Parliament, he made known his intention to go on trial, without taking advantage of his immunity.

Although, in the present state of the law, the waiver of immunity is not something that can be decided upon by the individual, but only as the result of a vote of this Assembly ruling in regard to an institutional prerogative, there is no doubt that the attitude of the individual concerned is of considerable importance, from both the moral and the political points of view. We cannot disregard the fact that the explanation he has given of his personal reasons for requesting the waiver also has a legal significance that ought not to go unrecognized, and that, in this case, I wish to acknowledge.

I confess, however, that, having followed the events concerning Mr Tortora, and having given consideration to the charges made against him on the basis of reports and statements by members of the 'Camorra', but being at the same time concerned at the long period of detention that the honourable gentleman has already undergone, if it were not for the fact that Mr Tortora himself had requested the waiver I should per-

Tognoli

sonally — without in any way wishing to set myself up in place of the proper judges — have voted against the request. I am not one of those who consider the prerogative of parliamentary immunity to be superfluous. Whilst it may be true that, today, some of the original reasons that led to the introduction of this right, as a defence for elected Assemblies against the action of judges too closely dependent on the Crown or the executive, have lost their force somewhat, it has equally to be said that there are many other reasons which point strongly in favour of the maintenance of this guarantee, probably in an updated form. I cannot avoid the conclusion that, without this immunity, we should be helping to confer on the judiciary, in Europe and in the various Member States, a kind of overriding power, thereby introducing a kind of 'government by judges'.

There have been calls for reform of the various aspects of immunity, and these are also being discussed in the Italian Parliament. It is to be hoped that these reforms will be directed towards removing the abuses, the interpretations of convenience, and the special privileges that can stem from this prerogative, provided that no regulations are introduced that open the back door to political persecution.

Parliamentary prerogatives have always provided material for anti-parliamentary argument. Such argument is based more on a condemnation of the use of these institutions for personal or partisan purposes than on reasons of principle.

By his behaviour Mr Tortora is giving parliamentary immunity and Parliament itself their proper dignity, enabling us to defend parliamentary guarantees.

For my part, I shall vote for the motion for the reasons I have explained, and also because of the esteem and friendship I feel for Mr Tortora, who asked my Italian socialist colleagues and myself to take this line. I would ask you, however, Mr President, in so far as it is within your power, to ask the Italian Government to ensure that the trial involving Mr Tortora should be held as soon as possible, in accordance with Italian law and citizens' rights. Speed in carrying out the due processes of law, and promptness in delivering verdicts, Mr President, ladies and gentlemen, are, equally, acts of justice.

Mr Molinari (ARC). — *(IT)* Mr President, I too should like to express my support for the decision of the Committee on Legal Affairs and Citizens' Rights — which follows, moreover, a request made by Mr Tortora himself — to grant authority for proceedings to be brought, and I join also in applauding the very correct behaviour of the honourable Member, not only because he himself asked to be tried by the Italian courts free from any protection by Parliament, but also because he to some extent used the parliamentary mandate to denounce a situation that, from the legal

standpoint, is not all that it should be in our country. Support, therefore, and praise for Mr Tortora's behaviour, which does not question the value of parliamentary immunity, especially parliamentary immunity for all offences of a political nature, which we consider must be preserved and maintained as one of the fundamental rights of the Western democracies, and as the expression of a culture that must in any event be confirmed.

But because I have praised the behaviour and the moral, human and political worth of Mr Tortora in the presence of this Parliament, may I personally be allowed — I am not involving my group in this — to denounce to this Parliament and to you, Mr President, the very different behaviour of another Member who sits on these benches — and I refer to the Christian-Democrat member Salvo Lima. In my country, Italy, in recent months there has not been a newspaper — whether daily, weekly or monthly — that has not reported Salvo Lima's links with Mafia groups, even at an international level. Not a day passes without this honourable Member of the European Parliament being referred to in the newspapers, on account of his friends, all of whom have been in prison in recent months, from Vito Cincimino, ex-mayor of Palermo, who was jailed because of his connections with the Mafia, to his cousins Ignazio and Nino Salvo, the bosses of Sicily and Palermo, who were also jailed on account of their connections with the Mafia. And all of them are connected with Mr Lima.

There are the reports of the anti-Mafia committee of the Italian Parliament, which refer to Mr Lima no fewer than 164 times in 164 pages of 26 volumes. He is a man so much talked about, so much discussed, so much suspected, so widely accused — we may as well say it — who has been the subject of dozens of legal proceedings in our country. But we all know how these things finish up, when you hold a position of prestige and power in Sicily, in Italy and, possibly, in the European Parliament as well. It is at all events clear that such a man ought at least to feel it his duty to give an account of his actions. It is not a question here of waiting to see what the Italian legal authorities will do.

Institutions have the right to make a political and moral judgment, and this institution has a duty to judge politically — not from the judges' standpoint, but politically and morally — a man who for 30 years has been talked about in this way in his country; a man whose friends are all in prison and all members of the Mafia; a man who is connected with the international drug trafficking groups. These things are in all the Italian papers, and I am amazed that the Christian Democrat members do not feel it their duty to press Salvo Lima to stand up and tell the President what his position is in Italy. Let him stand up just once and say something about the charges against him.

(The President urged the speaker to conclude)

Molinari

I do not consider that this is something of only secondary importance: it is very important, Mr President. The Mafia is not only something Italian — it is now connected with the international networks. I have put down a resolution on the subject and I hope, Mr President, that this resolution, which concerns Mr Lima, will be examined urgently by the Bureau.

Mr Tortora (NI). — (FR) Mr President, I particularly welcome the excellent report of the Committee on Legal Affairs and Citizens' Rights. It could scarcely have been otherwise since it was drawn up by Mr Donnez.

Mr President, I have a letter of resignation, which I intend to present to you, in the case of rejection by the House of the Legal Affairs Committee's motion for a resolution authorizing legal proceedings against me. Yet I have no doubt that the House will not deny me as a citizen the right, and not only the duty, to be acquitted or found guilty when he is the object of legal proceedings.

I have already stated, in common with the Radicals whom I have the honour of representing in this battle for the equality of the citizen in the eyes of the law, that I ask nothing more than the chance to demonstrate that every citizen, whether a Member of Parliament or not, has a sacred duty to appear before his judges and demand that justice be done, provided, of course, that the rule of law prevails.

The infamous and defamatory crimes of which I am accused have nothing, at least not at first glance, to do with political activity. With the greatest respect for the liberty of the individual, I repeat that the principle of immunity, designed to defend liberty, and not to protect criminals, is not at issue here. I feel sure you have grasped this.

However, if I may, I would like to address a special plea to the Italian Members of the House. At present Italy is experiencing some dreadful events which concern not only myself but all of you and calls for your utmost vigilance. Something terrible and dangerous is taking place in our country which threatens the rights of citizens, who are often at the mercy of ridiculous proceedings, or so-called 'reformed' criminals. Fellow Italian Members, I have to inform you that if such a situation has come about — and it has — the way to remedy it is by restoring the judiciary to its proper place, through laws and reforms of the code, and not by sleight of hand, tricks, unbelievable privileges such as freedom from prosecution, which is tantamount, in such circumstances, to veritable impunity.

I should like to thank you, in advance, for your vote, and close with a reminder that today, 10 December 1984, something may change in the style of politics in our country, and we badly need it.

Mr Barzanti (COM). — (IT) Mr President, ladies and gentlemen, I wish to announce that I and the Communist Group will vote in favour of the report that Mr Donnez has presented, after a great deal of hard work on the part of all of the Committee on Legal Affairs and Citizens' Rights.

It is no coincidence that this report has the unanimous support of the Committee on Legal Affairs. It makes very clear — and I think that this also provides food for thought for our national legislatures — that parliamentary immunity does not and must not constitute a privilege for individual Members, but instead a guarantee of the independence of Parliament *vis-à-vis* other powers.

With these considerations as its point of departure — without, however, their implying any judgment on the case in which Mr Tortora is allegedly implicated — the report ends with a proposal which I entirely support, for the reasons on which it is based. There is no question of our having to vote for or against the institution of immunity; what we are doing is emphasizing the fact that this immunity can still be of value in protecting the institution of Parliament.

I, too, should like to acknowledge that Mr Tortora has behaved in an extremely correct and loyal manner, giving us thereby an example that I think is deserving of our attention. We are well aware that the waiver authorizing the bringing of proceedings is quite distinct, from the procedural point of view also, from the waiver which implies arrest, as is made very clear by Article 68 of the Italian Constitution, the provisions of which are applicable to MEPs pursuant to the reference made in Article 10 of the Protocol on the Privileges and Immunities of the European Communities.

In this particular instance, the authorization to bring proceedings has been granted after a calm appraisal of all the details of the case, and, I repeat, I am in complete agreement with it. This appraisal also takes account of Article 6 of the European Convention on Human Rights, which emphasizes that every citizen — Member of Parliament or not — must be judged fairly and within a reasonable time. It is therefore in this spirit, also, that we are about to vote in favour of the waiver of Mr Tortora's parliamentary immunity.

Mr Pannella (NI). — (IT) Mr President, ladies and gentlemen, since the beginning of the last Parliament we Italian Radicals, whilst fully recognizing the powerful arguments in favour of the defence, albeit reformed, of the institution of parliamentary immunity, have emphasized the need also to bear always in mind the inalienable right of the Member to appear before the judge if at any time he is accused of some offence or other.

There is a contradiction — a very stark one — which we wish to make clear: whilst there exist the preroga-

Pannella

tives of the guarantees and the independence of an Assembly, there also exists the inalienable right of the individual to be judged, discharged or condemned if at any time he is publicly accused by the legal authorities of having committed this or that offence. It is a right that stands in opposition to some extent — often dramatically so — to the collective need of an Assembly to defend historically its own independence from possible attack through the persecution of individual members of that Assembly.

Having said that, Mr President, we wish to show our very deep gratitude for the statements so far made in this Chamber, as well as those very numerous and exhaustive ones already made to the Committee on Legal Affairs and Citizens' Rights, supporting the continuous, constant request, repeated daily and at every opportunity by the Radical, friend, colleague and comrade Enzo Tortora, who warned us that it was not only his right but it was also to his advantage, as well as to the advantage of our Assembly, to see justice done in this way.

We are entirely convinced, therefore, that the report of the Committee on Legal Affairs and Citizens' Rights, with its written explanations and those added, today, in the speech by Mr Donnez — which was excellent, thorough and precise, as usual — will receive our almost unanimous — I hope it will be unanimous — approval, and that we shall all vote in favour of this authorization to bring proceedings. Nevertheless I feel a duty, ladies and gentlemen, to say a few things, very briefly and succinctly.

I shall personally vote in favour so that it will be possible to judge, with Tortora, acts of justice that I consider infamous, literally disgraceful and infamous. I will quote just one example, ladies and gentlemen: the night of the blitz — when Enzo Tortora was arrested as the result simply of an accusation made by a multi-assassin of unsound mind, who was acknowledged as such on a number of occasions by the Italian courts — about 150 Italian citizens were arrested with Tortora — and were released after weeks or months — because they were guilty only of having the same name as somebody else! Mr President, ladies and gentlemen, such things do not happen even in Russia, where people may indeed disappear, but where at least the legal authorities are ashamed of these mistakes and do not admit them: they kill the people involved, true, but without pleading the legal right to do so! That evening, about 150 Italian citizens were arrested, as was Tortora, and the Italian legal authorities, without prosecuting — on the grounds of incompetence and professional inadequacy — the magistrates responsible for the arrests, then released these people without even begging their pardon: 'We made a mistake, we arrested them because their names were the same as those of the people we were really after'.

It is for this reason too, that we want this trial. And we hope that not only Amnesty International will be present, but that you, honourable Members, will appear in force — when the trial takes place — to witness this monstrosity.

(Interruption by Mr Klepsch)

I see that someone, who is not Italian, is protesting. I have only one thing to say to him: for our part, it will be a great honour to accept any debate on the facts and not on gossip, since we know that justice is a condition of independence and freedom and, in the Socratic manner, as Radicals, we are so convinced of this that, if ever the right of immunity should be invoked, it will always be our intention to call for, and obtain, trials instead; because, if the laws or the magistrates are unjust, that is the great, civilized, non-violent way to create justice.

Mr Almirante (DR). — *(IT)* Mr President, I have the honour to express, on behalf of the Group of the European Right, our vote in favour of the request put forward by Mr Donnez, and the request in the same terms made by Mr Tortora.

We have very much appreciated, and I personally have very much appreciated, the report by Mr Donnez, whom I should like to take this opportunity now of thanking also for his action during the last Parliament, when he behaved with the same correctness and the same high principles when dealing with an authorization to bring proceedings against me personally, which was granted also at my request. And I should like also to express my warm appreciation to Mr Tortora for the correctness, the openness, and the loyalty with which he has behaved, and which has marked everything he has said. The question of authorization to bring proceedings is one of very great importance indeed, especially because — and we have just been reminded of this — each one of us, in representing his own country, also represents the justice — or injustice, as the case may be — existing in that country. There is not yet a regulation of European law that protects us and qualifies us at the same time.

We therefore consider Mr Donnez's report a brave step forward in the service of justice, law, morality and the restoration of moral principles.

President. — The debate is closed.

(Parliament adopted the proposal for a decision)

5. *Votes*

Report (Doc. 2-952/84) by Mr von Bismarck, drawn up on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on the proposal from the Commission to the Council (Doc. 2-944/84 — COM(84) 587 final) for the adoption of the annual report on the economic situation in the Community and the establishment of economic policy guidelines for 1985.¹

Mr Patterson (ED). — Mr President, on the first page of this document the last indent of the preamble refers to the result of the vote on the Commission's proposal. The proposal in question is the proposal for the adoption of the economic report by the Commission to the Council, and we have not yet voted on that proposal. There was no quorum on the Friday of the last part-session. Therefore, I think we should first of all take the vote on the proposal and only afterwards come to the report itself.

President. — I take note of your proposal.

*Motion for a resolution**Before paragraph 1 — Amendment No 1*

Mr Patterson (ED). — I think that what I said could not have been translated properly. I am asking that the first vote be on the Commission proposal to adopt the report. We have not actually voted on the Commission proposal yet and we should do that before we actually vote on Mr von Bismarck's report. Again, I refer you to the fourth indent of the preamble: 'Having regard to the result of the vote on the Commission's proposal'. We have not yet taken the vote on the Commission's proposal.

President. — Mr Patterson, we are not required to vote on the Commission proposal but on the motion for a resolution covering the Commission's annual report on the economic situation, contained in the report by Mr von Bismarck.

Mr Patterson (ED). — I have the Commission text in front of me. If you look at page 107, it says: Proposal for a Council decision. That is the document on which we should first take the vote — this proposal for a Council decision. Having adopted that, which is the vote referred to in the fourth indent, then we can go on and vote on Mr von Bismarck's report.

President. — That is not the position. Mr Herman, can you enlighten us by telling us your committee's point of view?

Mr Herman (PPE), deputy rapporteur. — (FR) In previous years, Mr President, it was never dealt with in this way. However, there is a certain logic in Mr Patterson's approach. It is correct to say that if we draw up a report which calls for a decision by the Council, then logically we should vote. It is no less true, however, that in previous years we did not proceed in the manner now being suggested by Mr Patterson.

President. — If I understand you correctly, you are suggesting that we proceed as in previous years.

Mr Herman (PPE), deputy rapporteur. — (FR). That is a conclusion you are at liberty to draw, Mr President, but it is not what I said.

President. — In any case I have scarcely any choice. What is on the agenda is the motion for a resolution and that is what I must put to the House, which is of course free to reject it either for the reasons given by Mr Patterson or for any other reason. I cannot do otherwise.

Mr von der Vring (S). — (DE) Mr President, both are doubtless right, and the contradiction persists for purely formal reasons. I therefore propose that the report be referred back to the Committee which can then rectify this error.

Mr Herman (PPE), deputy rapporteur. — (FR) Mr President, Parliament would be holding itself up to ridicule in the eyes of public opinion if it were to postpone the vote on a motion for a resolution concerning a text which is being examined by the Council today and which was dealt with earlier at the European Summit in Dublin. It has been considered very good, accepted, and will no doubt be taken up again at a future Economic and Finance Council. Parliament should therefore take a position on it today.

(Parliament rejected the request for referral)

After rejection of paragraphs 17 to 19

Mr Gautier (S). — (DE) Mr President, now that we have rejected the last few paragraphs we shall not be forwarding this report to the Council of Ministers as its concluding formula would otherwise have required us to do.

Mr Seal (S), Chairman of the Committee on Economic and Monetary Affairs and Industrial Policy. — Mr

¹ See debates of 16. 11. 1984.

Seal

President, I feel that in view of the fact that this report has been decimated and there is very little of it left, you should ask the rapporteur whether, in fact, he wants to proceed with a vote on the report as a whole. As has been said, it is not going to go anywhere now and what is left of the report certainly does not represent any, or in any event represents very few, of the views of the committee.

President. — Mr Seal, a request for referral has been presented and rejected. According to the Rules there cannot be two votes on a request for referral.

Mr von der Vring (S). — *(DE)* Mr President, this does not constitute a precedent. We have already on one occasion not voted on a report whose conclusions had been rejected and declared the matter settled.

President. — Ladies and gentlemen, it is extremely clear, even if the situation is confused.

(Laughter)

Parliament will vote presently on the motion for a resolution as a whole.

Explanations of vote

Mrs Van Hemeldonck (S). — *(NL)* A rapporteur who does not even take the trouble to be here to defend his report, a text which was rejected paragraph by paragraph, an unacceptable document from the Commission — all these points have already been made during the debate. I think it is clear that the Socialist Group wants to get this out of the way as soon as possible. We want this humiliating document from the Commission and the frivolous comments by the rapporteur, Mr von Bismarck, forgotten as quickly as possible, and we shall therefore vote against.

On this International Human Rights Day we simply want to emphasize once again that social and economic human rights are the essential precondition for the exercise of all other human rights. What chance do these human rights have if the multinationals get off scot-free in the report on the economic situation, when we are daily confronted with closures of firms and mass dismissals? Where are the elementary social and economic human rights of the British mineworkers who month after month keep up the bitter struggle to stay in work in the face of heartless employers and an even more heartless government? What chance do social and economic human rights have if every radical measure to redistribute work and wealth like those we have proposed is rejected? What kind of economic recovery will we have if both the Commission and the rapporteur turn the victims of the economic crisis into

the scapegoats by claiming that unemployment is the result of high labour costs?

To conclude, I must express my group's indignation at Amendment No 25 tabled by Mr Le Chevallier and Mr de Camaret, which has a definite racist undertone and is unworthy of a democratic European Parliament. I hope that Parliament will unanimously reject this report and resolution.

(Applause from the left)

IN THE CHAIR: MR GRIFFITHS

Vice-President

Sir Fred Catherwood (ED). — Mr President, this is, as you have said, an extraordinary situation. But it is also an extremely serious situation. We have 13 million people unemployed in the Community. The Commission has put forward positive ideas to get those unemployed back to work again. We have not adopted the report of Mr von Bismarck by a very narrow majority of votes. But there is no coherent and thought-out proposal from those who have destroyed the von Bismarck report as to what should be done about our 13 million unemployed.

(Applause from the European Democratic Group)

I would like them to take positive responsibility, as we have done on this side, for putting forward hard, concrete, well-thought-out economic proposals to get those people back to work again. There is a complete void and a complete vacuum on the other side.

(Interruptions from the left)

I tried, while I had anything to do with this, to get as much cross-party support on this in the last Parliament as I could, and while I had anything to do with it there was cross-party support. Unfortunately we have not got it now, but do not let us put the whole of this economic recovery programme down the plughole, which is what you are about to do. Let us at least take what remains of the von Bismarck report and vote for what remains, thereby approving the Commission report.

(Interruptions from the left)

Before you turn down the Commission report, bear in mind that because of the pressures of this Parliament, and of no one else — I repeat, no one else but this Parliament — the economic summit has agreed to put unemployment at the top of the agenda for the first time. Do you want your reply to the Dublin Summit to be that we cannot agree and we are doing nothing?

Catherwood

We on this side are in favour of voting for what remains in order to keep the thing alive and in order, at least, to make sure that the decision taken by the Dublin Summit is not rejected by this Parliament and that the unemployed people in Europe can at least have someone to look to to carry their cause forward.

(Applause from the European Democratic Group)

Mr Alavanos (COM). — *(GR)* We too found the rigmarole of the amendments entertaining, but despite the cosmetic veneer put on things by a few of the Socialist Group amendments it is not hard, in both the von Bismarck and Commission documents, to make out the ugly imprint of Thatcherism which, as we know, has produced the massive wave of unemployment in Great Britain and led to opposition of the sort coming from the British miners.

In our opinion the Commission document is worth neither tarting up nor debating. We in the Communist Party of Greece refuse even to discuss a document which calls on the Greek Government to set aside index-linking, reduce social spending and confer new privileges on big business.

We think, therefore, that the only fitting thing for the European Parliament to do with the von Bismarck and Commission reports is to reject them.

Mr Cryer (S). — The hypocrisy of the Tories is astounding. Their spokesman talks about wanting jobs whilst their own government in the United Kingdom is trying to smash the National Union of Mineworkers whose only aim is to preserve 20 000 jobs in the coal-mining industry.

(Interruptions from the European Democratic benches)

They are people fighting for jobs. If the Tories want to fight for jobs, let them meet the requests and legitimate demands of the National Union of Mineworkers!

(Mixed reactions)

Let us make sure that we vote against this report. This report is straightforward Thatcherism which is even causing people like Ian Gilmour to criticize it publicly. On page 29, for example, it clearly sets out as a panacea for unemployment more public expenditure cuts. More public expenditure cuts means more people on the dole queue. The irony and the illogicality of the Thatcher position has been revealed. Where is the biggest public expenditure in the United Kingdom today? It is financing the dole queue which has been caused by Thatcher's monetarist policies and the cuts in public expenditure.

(Interruptions from the European Democratic benches)

Seventeen thousand million a year is now being spent financing the dole queue in the United Kingdom. There is no cure for unemployment in that. Of course, page 32 of the Commission document talks about that illusion which the Tories are always pursuing: reducing taxation and giving entrepreneurs the freedom to create jobs. That is what Geoffrey Howe said in 1979 when he was Chancellor of the Exchequer . . .

President. — Mr Cryer, your speaking time is up.

Mr Ducarme (L). — *(FR)* Mr President, given the incoherence of the debate and of the vote on the amendments, the Liberal and Democratic Group intends to abstain. It is a matter of respecting coherence, faced with Parliament's undoubted loss of face but not putting forward anything coherent throughout the debate.

Mr von Wogau (PPE). — *(DE)* Mr President, the result of this vote has placed Parliament in an extremely invidious position. The report we have voted on here is a decisive one for the further development of the European Community's economic policy. Combating unemployment, establishing the internal market, further developing the European monetary system — these are areas in which Parliament and the Community can help to do something about unemployment. Part of this House has now rejected all these proposals.

Like the Bismarck report we have reacted favourably to the Commission's report on the economic situation of the Community. The Dublin summit did the same, and Socialist governments also endorsed it — even the Greek Government, and certainly the French Government. And so I cannot understand why virtually the entire Socialist Group has rejected these sensible and reasonable proposals. Precisely because this report is so important I would urge you at least to vote for what remains of this report when the final vote is taken.

Mrs Cassanmagnago Cerretti (PPE) in writing. — *(IT)* In expressing my vote in favour of the report by Mr von Bismarck, and my appreciation of the Commission's annual report, I want to emphasize the importance of the development of the EMS as an essential element for the economic convergence of the countries of the EEC. In these past five years the EMS has helped not only to strengthen economic convergence — albeit insufficiently — but also to make European rates of interest less dependent on those in the United States, and also to increase Europe's monetary stability. We need therefore to strengthen the EMS, as an element in the economic strategy and monetary discipline of the Community. The governments must take concrete steps to make the ECU more widely used — as the currency for internal saving, for example, and the replacement currency — not an additional cur-

Cerretti

rency — for other financial activities. It would be disastrous if, with the introduction of the ECU, the highly gratifying successes achieved by the governments of Member States in the fight against inflation were all brought to nought, and there were a general growth of inflation, all due to the lack of discipline in the financial control mechanism where the ECU is concerned.

Mrs Gredal (S), in writing. — (DA) There is no doubt that the Danish Social Democrats will vote against the von Bismarck report on the economic situation in the Community and policy guidelines. Like the Herman plan for economic recovery in Europe, it is based on traditional conservative concepts of untrammelled growth policy and the free play of market forces. The means of economic action are thus the old and familiar ones which again and again have shown their inadequacy in a time of recession. The underlying conservative philosophy of free trade can be seen here too to be incapable of solving the major structural problems which arise in industrial and regional policy. The entire question of unemployment also remains untouched, without political direction.

We in the Danish Social Democrat Group in contrast take the view that the fight against unemployment must have priority and that the following main points must be covered in an economic model for a solution.

An active employment policy must be pursued, the question of reductions in working hours must be discussed in negotiations between the two sides of industry and the debate on economic democracy and codetermination must be resumed. Jobs must be created through the coordination of industrial policy efforts aimed at expanding and modernizing industry through research, product development and the introduction of new technology. This requires political direction and decisive action, which the von Bismarck report — with its old-fashioned blind faith in market forces — cannot deliver.

The Danish Social Democrat Members will therefore be voting against the report.

Mr Kyrkos (COM), in writing. — (GR) In spite of the interesting analyses and particular ideas contained in the von Bismarck report, especially as regards the monetary sector and tackling aspects of unemployment, etc., the internal Communist Party of Greece will vote against it because it disagrees radically with the report's overall logic. And this because the report favours putting a squeeze on the incomes of working people in the interests of big business, something which would make the existing crisis more acute, worsen unemployment and lead to inevitable social tensions.

The report stresses the need to achieve a high degree of convergence in the economic policies of the mem-

bers of the Community without, however, recognizing the need for the governments to have a large measure of freedom in making their decisions so as to enable them to comply with the mandates given to them by their electorates. Notwithstanding this it ignores the unacceptable delay in implementing the Community obligation to bring about convergence of the economies, which is widening the gap between the richer and less-developed countries, and the fact that — as Dublin showed — this is literally regarded with scorn. And while the need for a technological breakthrough in the European economy is rightly underlined, scant attention is given to the need for these efforts to be decentralized and for all the member countries to participate in attaining the objective in order to avoid adding a further contributory factor to uneven development.

Aside from this the internal Communist Party of Greece attaches prime importance to measures for widening economic and trading links as a whole, and especially with the eastern bloc countries and the Third World, for reducing wasteful arms expenditure and for preventing the flight of European capital to the US because of the high interest rates there, and the von Bismarck report avoids these crucial issues. Essentially, therefore, despite the care which has gone into it, it expresses the policy of the ruling economic circles and offers no way out of the crisis.

(Parliament rejected the motion for a resolution)¹

Mr Patterson (ED). — Mr President, will you now clarify the constitutional position? Will you confirm that the process of consultation of Parliament by the Council is now concluded and that the Council can now go ahead if it has not already done so in adopting this very excellent Commission report?

President. — Mr Patterson, the Parliament has declared its opinion, so I presume that the Council can now act.

6. ACP-EEC

President. — The next item is the report (Doc. 2-1104/84) by Mr Wurtz, on behalf of the Committee on Development and Cooperation, on the achievements of the ACP-EEC Joint Committee and Consultative Assembly.

Mr Wurtz (COM), rapporteur. — (FR) Mr President, ladies and gentlemen, Parliament's Committee on

¹ Mr Herman, deputy rapporteur, was:
— for Amendments Nos 1 to 3 (1st sentence), 6/rev., 9, 11 and 27;
— against Amendments Nos 3 (2nd sentence), 4, 5/rev., 7/rev., 8, 10, 12 to 26, 28 and 29.

Wurtz

Development and Cooperation has done me the honour of asking me to draw up the report on the outcome of the ACP-EEC Joint Committee and Consultative Assembly in 1984.

Our debate is taking place in a period which has been dominated by two major events. The first is the recent signing in Lomé of the third Convention between the EEC and the 65 African, Caribbean and Pacific partners for a further five-year period. The second is the emergence of a new single body within the ACP-EEC framework, the Joint Assembly, to replace the dual structure which has operated hitherto. All the more useful, therefore, at this juncture, that our Parliament should take a close look firstly at the international context in which the ACP-EEC consultations took place this year, and secondly, at the principal questions dealt with and the decisions taken on such occasions, before turning to the lessons to be drawn from such experience for the forthcoming period.

Allow me to cover successively these three aspects which you will find covered both in the report and in the motion for a resolution before you. To begin with the international context: it is characterized by considerable political tension and economic and monetary pressure together with the deadlock in most of the international North-South forums such as Unctad, UNDA, IDA or Unesco. This has been accompanied by a renewal of the arms race, swallowing up for the purchase of increasingly sophisticated and lethal arms vast sums of money urgently needed for humanitarian projects. Such a paradox is particularly unacceptable in the Third World which has to bear the full brunt of age-old scourges such as hunger, malnutrition, illiteracy, poverty and the cumulative effect of all the woes of underdevelopment. Let us remember that per capita food production has decreased by 1% annually in those countries south of the Sahara, all of them ACP countries, that the share of these countries in international trade has diminished, from over 3% in 1960 to approximately 1% today, and that the indebtedness of African countries has increased ninefold over the past 15 years. However instructive the figures, they cannot hope to express the plight of the hundreds of millions of human beings in their everyday lives. All of these statistics were of course widely touched upon in the debates of the ACP-EEC Consultative Assembly and reflected in the reports which were adopted.

This brings me to a recapitulation of the most significant aspects of the Consultative Assembly's work, both in Brazzaville and Luxembourg. At the outset I should like to emphasize the value of the content and the generosity of approach inherent in the report drawn up by my friend, Renzo Trivelli. Given the brief of examining the achievements of the Lomé Convention and of indicating a course for the future, he approached his task in a good-natured manner and focused on the cardinal features of ACP-EEC cooperation, such as cooperation on financial, agricultural

and food matters, market prices for raw materials, and the operation of Stabex. He underlined the need to promote the autonomous development of the ACP countries, and self-sufficiency in food.

He urged a substantial increase in the amount of credits to be granted under Lomé III, above that granted under Lomé II, basing his argument on objective criteria such as monetary depreciation, population growth and the increase in the number of Lomé Convention States or associate States.

Turning to Lomé III, I should like to emphasize that, on the particularly controversial issues in the negotiations, such as the so-called dialogue on political issues or, for that matter, human rights, the positions adopted by the Consultative Assembly offer every chance for agreement. More generally the debates confirmed the extent of the ACP countries' preoccupation with the appalling drought currently afflicting a large area of the African continent. A year ago the ACP-EEC Consultative Assembly set up a working group on the environment, to examine the conditions for carrying out specific measures. This year it adopted a resolution calling for a special aid plan for the Sahel. While we welcome the Council's approval of an emergency aid programme, we cannot but disapprove of the Council's attempt to substantially reduce food aid in 1985.

Both the ACP-EEC Joint Committee and the Consultative Assembly also adopted the resolutions, the texts of which appear as annexes to our report, dealing with fishing, consultations between the two sides of industry, the situation in Chad, and developing countries. On the latter, it was decided to draw up a report for the forthcoming meeting of the Joint Committee. A working group on the role played by women in development was also set up.

Finally, the importance of the situation in southern Africa for the work of the ACP-EEC was reflected in two resolutions adopted by the meeting. The first of these notes the outcome of the fact-finding mission to those countries affected by South African aggression. The Consultative Assembly also forcefully reiterated its condemnation of the apartheid system as the underlying cause of the tension in this region of the globe. It called on the European Community and its Member States to deter their private firms from providing economic assistance to South Africa. It referred to the very resolute text it adopted in Rome, two years earlier, which specifically calls for economic sanctions against South Africa.

The second resolution on southern Africa, which was unanimously adopted by the Consultative Assembly, calls for the release of Nelson Mandela, the longest-held political prisoner in the world, and calls on the ACP-EEC Council of Ministers to exert pressure to this end.

Wurtz

I should like now to turn to the lessons to be learned from the final deliberations of the former ACP-EEC bodies.

I shall confine my remarks to one such lesson in an effort to preserve or to give our debates — of which this current one is an example — our working groups, and our resolutions a credibility which has been considerably blunted. I am referring to the concrete action which we can anticipate both from the Commission and from the Council as a result of the recommendations which will be submitted to them and to the specific requests which will be made by the new ACP-EEC Joint Assembly.

The formation of this new Assembly may provide new hope that the Community will take more serious account of the passionate and deeply-felt convictions of the representatives of 75 countries.

We would urge these policy makers to seize this opportunity. Our citizens and our countries have everything to gain.

Mr President, ladies and gentlemen, by coincidence our debate is taking place today, 10 December, which the United Nations has designated as the 'International Human Rights Day'. The first such right is the right to life and to have sufficient to eat. This fundamental human right — we are reminded of it by the unbearable pictures we see every day — is today denied to millions of human beings. An examination of the underlying causes and responsibilities for such a state of affairs lies outside the scope of this report. Notwithstanding, how could we be indifferent to it?

This is why, in closing, I wish to express the hope that the debate and the vote in the House will be as constructive as that in the Committee on Development and Cooperation which adopted the present report by an overwhelming majority.

Mr Baget Bozzo (S). — *(IT)* It is significant that this debate is taking place in an almost empty Chamber, as though the problem of the European crisis, from the economic standpoint, was more interesting than this great human crisis that we are witnessing. We have to bear in mind, as the rapporteur said, that the countries associated with us in the Lomé Convention are becoming increasingly less involved in our European market and, in practice, what they receive from us they have to spend — with a very much poorer rate of exchange — in our own countries.

Dramatic events such as the Sahel famine are largely foreseeable, and they have political consequences. A drought caused the fall of the regime of the Negus, Haile Selassie, and in Ethiopia, drought causes millions of deaths. Naturally, as the population grows and increases the desertification of the land, so the number of deaths increases.

And so we have to ask ourselves whether our approach to this problem is adequate; in other words whether, in reality, the effort that we are making within the framework of collaboration with the ACP countries is simply a contribution to the survival in a small way of their present governments, or whether it reflects an intention really to help these countries.

We have to ask ourselves what will become of Europe when, in 20 years' time, 129 million Africans will be in a state of malnutrition. I wonder, therefore, whether what we are doing is really sufficient — whether, that is, we fully recognize the size of the problem. As Mr Wurtz has reminded us, the Council has not increased food aid overall, and the action in Ethiopia was decided on only under the pressure of immediate needs, without having regard to a broader vision of the problem.

What will happen when the next droughts occur? It is abundantly clear that this needs a different political concept and a different view, on broader lines, of relations between us and these countries. In addition we cannot ignore the question of South Africa and the recent report of the South African Catholic bishops . . .

(The President urged the speaker to conclude)

. . . who issued a violent condemnation of the action of the police, who have caused so many deaths in the black community.

President. — Could I point out to Members that although there is no actual rule of the House that Members stand when speaking, it is the custom when Members speak from their places that they do stand.

Mr Vergeer (PPE). — *(NL)* Mr President, I should like to begin by congratulating the rapporteur on the excellent report he has presented to Parliament. I do not think our aim today should be to have an extensive debate on all the problems facing the Sahel. What we should be discussing today is the report on the last meeting of the Joint Committee, an excellent report in my opinion.

I can confine myself to just a few comments, Mr President, and I shall not therefore exceed my speaking time. In my opinion, the concern that has again been expressed by the Consultative Assembly about the serious *impasse* in the North-South dialogue, especially in the international organizations, cannot be overemphasized. Unfortunately, one of the main reasons for this is undoubtedly the growing indifference of the developed countries. Yet new life must be breathed into these North-South talks in the not too distant future so that a number of major problems can be discussed and an attempt made to find solutions. The rapporteur has mentioned one of these problems, a matter that should cause us very grave concern: the growing debt burden of the developing countries.

Vergeer

Secondly, Mr President, I wish to refer to paragraph 17 of the motion for a resolution, which concerns the possible, forthcoming enlargement of the Community to include Spain and Portugal, a very topical subject at the moment in view of the negotiations now in progress. I welcome the fact that the resolution reiterates the very serious concern felt by the Consultative Assembly of the ACP and European Community that the ACP countries should not suffer as a result of the Community's enlargement. Particularly important in this respect — and I believe the rapporteur makes specific reference to this in his resolution — are the developing countries' exports of cane sugar.

Mr President, the Luxembourg meeting undeniably again showed that it is high time a parliamentary body known as the 'Joint Assembly' was established, and I am pleased this is now to be done. What happened in Luxembourg was that the Joint Committee and the Consultative Assembly met for a week and then by chance — or not by chance: it was probably well planned — a request was made to see if a quorum existed, and there was no quorum in the Joint Committee. As a result, it was unable to deliver an opinion to the Consultative Assembly on the resolution on South Africa, and 10 minutes before the end of the meeting, at the end of the week, there was an almost intolerable rush to find a consensus. I believe it is abundantly clear from this that we cannot go on in this way.

Mr President, I said I would not exceed my speaking time, but I have already done so. The motion for a resolution will have my group's wholehearted approval.

Mr Price (ED). — Mr President, I have been very glad to participate in the work of the Joint Committee and the Assembly and I think that this has been extremely worthwhile work. The essence of it is to achieve greater mutual understanding and to improve the effectiveness of our cooperation. I notice in paragraph 6 of the Wurtz report that we talk about 'the instruments appropriate to the real development needs of the ACP States'. It is regarding one of the instruments of cooperation that I want to talk today.

I want to talk about a particular problem which has arisen giving rise to some doubts about the way in which one of our existing instruments is working. It stems from the provision that in the selection of successful tenders the Commission must choose the most economically advantageous offer. Now I accept the necessity for such a provision but I have grave doubts about the way that the Commission is currently interpreting this requirement. The case that I have in mind is that of LIAT Airways, a Caribbean airline which needed to replace several of its aircraft. There was an arrangement made through the Caribbean Development Bank, who made a contract with the Commission for an EIB loan. And in the terms of that contract

certain conditions relating to the type of aircraft were laid down. Subsequently, the Commission in its interpretation of this provision, that it should choose the most economically advantageous offer, totally breached the terms of the contract that it had with the Caribbean Development Bank which laid down certain of the needs of the airline to operate in the conditions that it had to face.

Mr President, I am concerned not just about this case but about what it brings to light as to the way in which the Commission interpret their powers because the House need have no doubt, it has caused great disquiet in the Caribbean that the Commission have broken that contract, that the Commission, faced with two independent experts taking opposite views, have chosen one rather than the other and that the Commission have sought to burden the airline with a number of additional costs and with an aircraft that has only flown after the close of tenders.

Mr President, I hope that the Commission will indicate to us some reason why they have taken the line they have. But I hope that Parliament will inquire into the facts of this case and the greater disquiet that it should cause us.

Mr Guermeur (RDE). — (FR) Mr President, I would like to begin by congratulating the rapporteur on the work he has done, and to echo his conviction that the deliberations of the Joint Committee and the Consultative Assembly respectively, in Luxembourg, resulted in substantial and significant progress at particularly crucial juncture — concluding the negotiations on drawing up the new Lomé Convention — which coincided with what we then considered a tentative agreement on Chad.

My group welcomes the high standard of the reports presented in Luxembourg, in particular that on the implementation of Lomé II, and on the environment and cooperation. I welcome the provision in the new Joint Committee for a working group on the environment. I would also stress the excellence of Mrs Ewing's report on fishing, which was adopted unanimously.

I believe this testifies eloquently to the usefulness of the now-merged Joint Committee and Consultative Assembly as a form for fruitful dialogue between the directly-elected representatives of the Community's citizens and the policy makers of the developing countries. The newly-merged bodies also provide excellent information to the European Parliament on problems which are of great concern to world public opinion.

I should now like to give my opinion on the Wurtz report. It should lead us, I believe, to judge harshly North-South cooperation. While it is undeniable that progress has been made as a result of the Lomé Conventions, one cannot avoid concluding that major

Guermeur

industrial nations have been found wanting in their cooperation and development aid to the Third World. I would cite in this respect the United States, the Soviet Union and Japan; the economic means at their disposal are considerable, but the aid they give is ludicrously small in the context of their means, and the needs of the developing countries.

I should also like to draw attention to the plague of developing countries' debt, universally perceived as a misfortune which will require something of a miracle to remedy. I would also mention the increasingly dangerous and alarming gap between the acceleration of desertification and the efforts made to contain it. I share the generally bitter reaction to the failure to increase the level of food aid in the 1985 budget and the failure of the recent European Council in Dublin, apart from some good intentions, to examine this point.

With the rapporteur's indulgence, for the matter is not dealt with in his report, I should like to mention those developing countries which have no association links with the Community and who would not generally be covered in a debate such as this. I believe they are too often forgotten, and, when one realizes that their per capita annual income is less than USD 400 — Haiti, Nepal, Sri Lanka and Bangladesh, for example — I feel one should underline the problem their plight poses for the international community at large, but also indeed that of other large countries whose economies are just at the take-off stage and who are somewhat ignored. The cases of India and China spring to mind, where it is important for the EEC to make a contribution.

Having made this point I would like to pay tribute to the strength of conviction and effectiveness of the institutions in Luxembourg. It has resulted in an overall substantial increase in the funding of the Lomé Convention, from 7 000 million ECU to 8 500 million ECU. Such an increase was, I believe, brought about as a result of pressure by these institutions.

I would also like to refer to the new concept of private investment in developing countries, referred to in the Wurtz report. The pressure which I have just referred to will, I believe, ultimately ensure tangible aid to developing countries by paving the way for private investment to make a contribution.

That said, I should like to make two critical comments on the Wurtz report. To begin with I regret the linkage, in one paragraph of the motion for a resolution, between disarmament, which is necessary, and development aid. It is disingenuous to say that a scaling down of the arms race would mean an increase in development aid. Neither the Soviet Union nor the United States, both of whom have a large arms programme, it is true, assist development to any significant degree — that is also true. But Japan has a minimal arms programme, and yet its development aid

contribution is one of the lowest. Hence we should dispense with the notion of linking arms reduction and increased development aid. I am an advocate of disarmament, but I reject the argument linking both issues which would, I feel, be better served in an effort to attain the goal sought.

My second criticism concerns the absence of comment on Chad. I am referring to the resolution on Chad, which was adopted, but which is absent from the report under discussion today, even though the events which have unfolded vindicate the Joint Committee's views.

Finally, a third comment, Mr President. I feel we jumped the gun somewhat in anticipating Angola's accession to the Lomé Convention. We now understand that Angola did not sign. No doubt substantial pressure was brought to bear on her to refrain.

I shall vote for this report only if it makes no mention of disarmament and abandons the linkage.

Mr Kuijpers (ARC). — (NL) Mr President, ladies and gentlemen, we share the sentiments expressed in the Wurtz report, but we feel we must question the way in which the proceedings were conducted in Luxembourg. Towards the end everything was done with excessive haste, and the groups were not treated completely equally during the proceedings. We feel compelled to introduce this somewhat sour note into the praises being sung here today.

I also feel that too little thought is given at such meetings to the daily violations of human rights in all the countries concerned. This was the first such meeting I have attended, but I must say that, when the apparatchiks from these countries meet our representatives, we tend to ignore this fact.

Mrs Pantazi (S). — (GR) Mr President, apart from giving an objective appraisal Mr Wurtz's report contains things which, together with the new third Lomé Convention, oblige us to make a short analysis of our positions in relation to the Community's development policy.

It is acknowledged that the crisis we are passing through is principally due to the crying structural inequalities between the developed and developing countries. To overcome this crisis we have to breathe new life into the North-South dialogue, which is bogged down in endless academic deliberations, and establish equal-ranking cooperation between the developed and developing countries so as to create the conditions in which the latter can proceed with autonomous development according to the needs and priorities determined by them and their peoples. We consider the Commission's recent moves to use agricultural surpluses for food aid to be positive and encour-

Pantazi

aging. The ultimate aim, however, must be to make has repeatedly been discussed by and these countries self-sufficient in food production through the setting-up of specific agricultural development programmes.

Another point I would like to give particular mention to is the external debt of these countries. We are sorry to see that the new Lomé III agreement makes no mention of this despite the fact that it forms a part of the priorities I have referred to and has repeatedly been discussed by and been the subject of resolutions adopted by the ACP-EEC Consultative Assembly. I have not got time to go into great detail, but I cannot avoid noting one comparison. The sum recklessly spent on arms each year amounts to 650 billion dollars, which corresponds to the debt of the developing countries. We therefore wholeheartedly endorse the paragraph in the report which proposes that resources made available from reduced arms expenditure be allocated for development purposes. We recommend that this proposal be included in the initiatives of the Community's Foreign Ministers in the light of the impending disarmament talks in Geneva.

A final point I would like to touch on is the condemnation of the racist regime in South Africa. Noting the findings of the Committee of Inquiry we urge that all legitimate pressures be applied to bring a halt to this country's aggression and destabilizing activities against its neighbours.

To wind up, Mr President, I want to emphasize that the report contains everything that it should objectively contain, and we therefore recommend the House to adopt it as it stands and to reject any amendment which alters its content.

Mrs Daly (ED). — Mr President, on this International Day of Human Rights I particularly wish to welcome paragraph 9 of the motion for a resolution and the inclusion in the third Lomé Convention of the text referring to human rights. I believe it is a welcome step forward that we have persuaded our friends in the ACP countries to accept the importance of respect for human rights. It is to be hoped that this will lead to a meaningful dialogue on human rights. I hope that this dialogue will, in turn, lead to discussion of the human rights of ACP nationals not only in their own countries but also in the European Community countries. My group welcomes the fact that the ACP-EEC working party on human rights has had its first meeting and that it will be continuing this important work.

I continually hear from my constituents and from members of Amnesty International about the abuse of human rights in, for example, Uganda. In that country the government has admitted the possibility of its troops having been involved in the killings at the Ugandan Martyrs Shrine at Numagongo in May 1984. So I will welcome the opportunity of discussing these reports with our colleagues from Uganda on the working party. Those members of the public through-

out Europe who have doubts about giving aid to the developing world undoubtedly need reassurance on the whole question of human rights in some countries.

Turning to hunger and famine in the world, my group is extremely concerned about the worsening famine in many ACP countries and about the fact that the public think that famine exists only in Ethiopia. We welcome the agreement from Dublin to provide 1.2 million tonnes in food aid to Africa and we want to see more aid provided if this is necessary. We want to see the 111 million ECU of emergency aid which remains unspent from Article 137 of the second Lomé Convention used before that Convention expires at the end of February 1985.

Finally, my group hopes that at its next meeting in January the Joint Committee will give detailed consideration to the causes of famine and the response of the Community and the ACP governments to the problem of hunger. I myself would like to see a clearing house set up so that we could marry our capacity in the Community to give in kind with known areas of need in the developing countries.

Mr Balfe (S). — Mr President, I start by observing that yet again in an important debate there is not a single Liberal present in this Chamber.

I want to mention three particular matters. Firstly, sugar. Members will have noted that in the resolution there is a specific reference to the Portuguese sugar quota and in this negotiation for Portuguese accession we hope that the full 300 000 tonnes of Portuguese-imported cane sugar will, as one of the amendments tabled says, 'be added to the sugar cane imports quota under the Sugar Protocol'. This for two principal reasons. Firstly, the cane sugar industry in the Third World will obviously be very severely affected if Portuguese imports are cut down and secondly, the sugar refining industry in the United Kingdom and in Portugal will also be substantially affected if there is a cutback. It is quite inexcusable for European farmers to be growing sugar beet at the cost of the Third World.

I would also like to endorse what was said about the Leeward Islands Air Transport case. If ever there was a case of the Commission being seen to indulge in sleight-of-hand to get its own way it was that one. It has caused great concern in the United Kingdom aerospace industry where it was seen that a contract was won fairly and above board and after a bit of jig-gery-pokery — to put no better word on it — the contract ends up going to a plane that had not yet taken to the skies. That is a very dubious way of conducting business. I would like to place on record the grave concern of many members of my union who recently came to lobby the House of Commons and lobby me about the way in which this contract was awarded.

Balfe

Finally, I want to turn to the question of drought and human rights. I listened with interest to what Mrs Daly said about human rights and there is nothing there that I can disagree with. But surely one of the fundamental human rights this rather fat Western world has overlooked is the right to have food in the first place. Many of us, and I suspect it is not confined to this side of the Chamber, were appalled to hear that the extra food aid for Ethiopia is apparently to be found, among other places, from Bangladesh; that the starving are to be fed at the cost of the hungry. That is not an acceptable situation for people on the Committee on Development and Cooperation. It is not an acceptable situation for us to be talking about human rights which are essential, without talking about the human right to eat in the first place. This is a point which has been made to me by ambassadors and by ministers from a whole variety of Third World countries of all sorts of political hues.

So, in adopting this report and in thanking Mr Wurtz for his very hard work and excellent report, I do hope that we will bear in mind that all of the human rights are needed, including the right to eat.

Mr Richard, Member of the Commission. — Mr President, it seems to me that there are really two ways in which I could possibly reply to this debate, which is to concentrate on Mr Wurtz's report on the one hand or alternatively to try and give considered answers to the various points on different issues which have been raised by various parliamentarians.

Can I very briefly give two or three answers, perhaps somewhat sketchy ones, to some points that have been raised. But really what I want to do is to concentrate on Mr Wurtz's report which essentially was a procedural document and that is what I want to talk about.

As far as three points raised by Mr Balfe are concerned, I gather that of the 300 000 tonnes of Portuguese sugar, only 100 000 tonnes comes from the ACP countries. In the negotiations over enlargement, the current Community offer in relation to ACP sugar, as far as Portugal is concerned, is 70 000 tonnes. I do not think that the negotiations have as yet concluded.

As regards the issue of LIAT and the plane, I understand there is a question down on this tomorrow, when the Commissioner will be pleased to go into it in some not inconsiderable detail.

As for the third point, drought and emergency aid, if indeed the situation was as Mr Balfe describes it I can only say that the Commission would be equally concerned that there was merely a reshuffling, if you like, of food aid rather than a genuine fresh effort. I think that the way in which Mr Balfe put it was a little stark. I think there are also some questions down on this tomorrow, and it is a matter which the Commission would obviously be prepared to answer in some detail.

Turning to Mr Wurtz's report, we welcome it, and indeed we have nothing but praise for the work of the Consultative Assembly. The Commission considers that the Assembly did a most valuable job in exercising political supervision over the management of cooperation by the ACP and Community executives. What is more, I think it has done much to impart a political impetus to this old process, in particular as regards the negotiations for the third Lomé Convention, which was signed, as the House knows, the day before yesterday.

The resolutions which were passed in Luxembourg in September are of great importance. First, there is the one referred to already this afternoon, the general resolution based on Mr Trivelli's report, covering all the main heads of cooperation which were duly enshrined in the new Convention. I cite, for example, the new institutional provisions or the provisions on social and cultural cooperation which reflect the proposals of the Consultative Assembly session in Berlin. Again, the formula finally arrived at on human rights owes much to the advance groundwork put in by the Assembly. The House will therefore see for itself in reading the Convention that it is very much in line with the views expressed at the meetings of the joint parliamentary bodies.

The other resolutions too, notably those on drought and desertification, the environment, fisheries and southern Africa, are in the Commission's view exceedingly to the point. The House is aware of the importance we attach and have attached to these matters in the negotiation of the Convention. We shall continue to attach importance to them in its implementation.

Mr President, it is not long till the next meeting of the ACP-EEC Joint Committee, to be held in Burundi in January. This will probably be the Committee's last meeting under the Lomé II set-up, since, if the Commission's proposals are accepted, the second 1985 meeting will take place in accordance with the rules of Lomé III. The idea is that the transitional arrangements for continuing cooperation should be established quickly by 1 March. As regards the institutional and trade provisions, we feel that an expedited implementation of Lomé III would be in order and, I imagine, would be in accordance with the general wishes of this House.

Finally, may I say that in parallel with the European Parliament's preparation of its opinion, the ACP and Community representatives should also be able at that meeting in Burundi to make a first assessment of the results of the negotiations and the outlook for Lomé III. The Commission will obviously be reporting there on the follow-up to the Consultative Assembly's resolutions.

In conclusion, Mr President, may I reiterate what I said at the outset. We welcome Mr Wurtz's report, which we find helpful and valuable, and we have

Richard

nothing but praise for the work of the Consultative Assembly.

Mr Newman (S). — The Commissioner, in his reply, referred to my question tomorrow on the contract concerning Leeward Islands Air Transport and said that the issue would be dealt with then. Bearing in mind that the question is number 45 tomorrow, can I suggest that either he deals with it now or you, as President, assure me that it will in fact be dealt with tomorrow?

President. — Mr Newman, as you point out, your question is number 45. I cannot give you an assurance from the Chair that it will be dealt with tomorrow. All I can say is that if it is not dealt with orally you will receive a detailed written reply the following day. It will be up to you whether you keep your question down for an oral answer or whether you just accept the written reply from the Commission. I am afraid I cannot call Commissioner Richard back to answer that question now.

The debate is closed.

The vote will be taken at the next voting time.

7. EEC-Yemen agreement

President. — The next item is the report (Doc. 2-1102/84) by Mrs Wiczorek-Zeul, on behalf of the Committee on External Economic Relations, on

the proposal from the Commission to the Council (Doc. 2-800/84 — COM(84) 416 final) for a regulation concerning the conclusion of the Cooperation Agreement between the European Economic Community and the Yemen Arab Republic.

Mrs Wiczorek-Zeul (S), rapporteur. — (DE) Mr President, ladies and gentlemen, the proposed cooperation agreement between the European Community and the Yemen Arab Republic is the first of its kind to be envisaged with one of the Gulf States. Up to now the European Community has had no contractual ties with this region. The agreement is thus a 'first' both for the Yemen Arab Republic and for the European Community, and it is to be hoped that other States in the region will follow suit, perhaps even the Gulf Cooperation Council.

In its resolution of 16 September 1981 the European Parliament welcomed the Council Decision of January and February 1980 on cooperation agreements of this kind, and expressed the hope that they would aim at long-term cooperation and take account of the reciprocal interests of the parties concerned and of the

political dimension contained in the Euro-Arab dialogue.

We are glad that an initiative which the European Parliament too has promoted with special enthusiasm has now borne fruit. In spring 1984 the European Parliament delegation for relations with the Gulf States visited the Yemen Arab Republic, which currently holds the chairmanship of the Interparliamentary Arab Union. It familiarized itself with the situation in the country, with problems and progress concerning the agreement which was then at the discussion stage, and with the situation in the Middle East in general.

The prompt follow-up by the Commission and Council is gratifying, although we are obliged to note that the Council has not adhered correctly to the Luns-Westerterp procedure. Our position in committee was thus a somewhat difficult one, as we had to produce a report within a very short time. This in turn gives rise to new circumstances here, so that we need to complete the draft report now before us and make it more precise. A number of corrections are also required to Part B.

Despite the reservations which arise as a result of procedural considerations we are submitting this report today because we think this conflict is an internal Community matter which should be thrashed out internally. But we must not allow the Yemen Arab Republic to suffer as a result, and the decision on the agreement must not be delayed.

Like many countries outside the European Community the Yemen Arab Republic doubtless has trouble enough coming to terms with the plethora of European institutions. In our draft report we thus endorse the proposed cooperation agreement. If the European Parliament supports it and approves our resolution, we shall consider this agreement as ratified.

The additions to the motion for a resolution in our report, which we propose in our amendments, cover three main points: firstly, the Yemen Arab Republic is a developing country. And so in our view the cooperation agreement should place less emphasis on trade and should concentrate far more on cooperation aimed at furthering development.

We are therefore particularly happy to find that the other committees we have consulted, especially the Committee on Agriculture, Fisheries and Food, are thinking along the same lines as the Committee on External Economic Relations. Cooperation should above all assist rural development and the development of the Yemen Arab Republic's agriculture, to enable it to feed its population. When we were in the Yemen Arab Republic last February as the delegation for EP relations with the Gulf States we reached the conviction that these specific cooperation objectives were the ones best suited to meet the real needs of the country.

Wieczorek-Zeul

Secondly, we believe that an appropriate financial protocol, appropriate financial undertakings, should be tied in with this agreement, otherwise there would be little change in the state of cooperation to date between the European Community and the Yemen Arab Republic, and the agreement would be a purely formal framework which would in the long term disappoint rather than fulfil expectations.

Thirdly, we would stress the political dimension of this agreement as a step towards stronger Community commitment to the objective of peaceful solutions to the conflicts in this region.

Through a cooperation agreement of this kind we have hopes of working together well and for a long period of time. The aim of such agreements must not be to impose on these countries our own model of industrial development. We must aim to cooperate as partners.

One personal comment, if I may. The European Parliament has already on many occasions stated, with reference to the situation in the Member States of the European Community, that the majority of the population, i.e. women, cannot and must not be excluded from playing their part in and influencing political thought, and they must not be denied equal rights. What I mean is, without wishing to interfere in that country's domestic affairs, that we hope to see women's rights granted a place also in the Yemen Arab Republic and above all that women in that country should be given the vote.

Our Committee approves the proposed cooperation agreement. Very attentively, and certainly in the interests of our Yemeni cooperation partners, we shall monitor and support the work of the Joint Committee and ensure that the agreement is correctly implemented in line with the objectives set out here by the Committee on External Economic Relations and Parliament's delegation to the Gulf.

President. — If the following speakers are brief and if I may ask the interpreters for an extra five minutes, we could finish this debate by 8.05 p.m.

Dame Shelagh Roberts (ED), Chairman of the Committee on External Economic Relations. — Mr President, I intervene in this debate to draw Parliament's attention in particular to paragraphs 3 and 4 of the motion for a resolution which deal with the inadequacy of the consultation with Parliament over the terms of this agreement.

The facts are that the negotiations were concluded on 22 May of this year. Clearly, Members of Parliament were not in a position immediately before the elections to deal with the matter, but we could have dealt with it in the latter part of July when the Committee on

External Economic Relations was constituted. We might indeed have wished to avail ourselves of the opportunity of a meeting as provided for under the Luns-Westerterp procedure. What in fact happened was that the committee was only notified of the contents of the agreement on 25 September, the agreement was signed on 9 October and we were hastened, as the rapporteur has already indicated, into giving our report.

I would like the Council to take note of the fact that it was with some difficulty that I was able to persuade the Committee on External Economic Relations to take the report in time to have it on the agenda for the December part-session. I would also like the Council to understand that if there were to be a repetition of this degree of haste and failure to consult adequately, the committee might not be so accommodating on another occasion.

Mr van Aerssen (PPE). — (DE) Mr President, your suggestion is a good and a wise one. In view of the importance of this topic, in the eyes of my group also, because it constitutes a new initiative, five minutes will not be enough. It would not do justice to the matter at issue! Consequently I would ask that this point be held over until tomorrow, when we can still express our views briefly, but with the necessary clarity. A five-minute debate would not do justice to this new initiative. Nor would it be very polite to our new friends.

President. — Mr van Aerssen, if that is the case and you want to give it a bit more time than we can allow, I will have to rule that the debate will be continued on Wednesday night.

Mr Cryer (S). — On a point of order, Mr President. I was somewhat at a loss to understand your interpretation of the Rules when my comrade raised a question on the possibility of the Commissioner answering a matter now rather than tomorrow, when his question would be too late, and you said you could not call on the Commissioner. Surely, under Rule 66(5) you could ask the Commissioner if he wished to make a request to be heard, because under Rule 66(5) Members of the Commission and the Council 'shall be heard at their request'. I have no doubt that had you given the Commissioner an opportunity, he would have been only too anxious to explain the curious circumstances in which a plane was ordered from a British aircraft factory and somehow was replaced by a French plane not yet on the drawing-board even. I would be grateful for your confirmation that would have been the position had you given him that opportunity.

President. — Mr Cryer, the question put by Mr Newman relates to a question down for Question Time, and therefore I felt it more appropriate that it be dealt with in Question Time rather than enlarging the debate on Mr Wurtz's report. That is why I did not call the Commissioner. No doubt Mr Newman could

speak to him privately after this sitting, but the appropriate place for answering the question is in Question Time.

(The sitting was closed at 8 p.m.)¹

¹ *Agenda for the next sitting: see Minutes*

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IN THE CHAIR: MR SEEFELD

Vice-President

(The sitting was opened at 9 a.m.)¹

1. *Membership of the Commission of the European Communities*

President. — By letter of 10 December 1984 the President of the Commission, Mr Thorn, informed me that Mr Pisani, Vice-President of the Commission, has asked to be relieved of that post in order to take up his new duties.

The Commission has agreed that Mr Pisani's duties will be taken over by the Commission President.

2. *Budget 1985*

President. — The next item is the report by Mr Fich, on behalf of the Committee on Budgets, on the rejection of the draft budget of the Communities for the 1985 financial year (Doc. 2-1185/84).

Mr Fich (S), principal rapporteur. — (DA) Mr President, the Committee on Budgets recommends rejection of the budget for 1985. At its meeting yesterday evening, the Committee on Budgets searched repeatedly for a way of avoiding this outcome, but the result was negative with 35 votes in favour of rejection, one against and one abstention. The fact that the Committee on Budgets came to this conclusion was due to two decisions: one was the resolution of the Committee on Budgets itself last week, which was adopted by 33 votes in favour, none against and no abstentions. The plain message of this resolution was that the Committee on Budgets demanded that the budget for 1985 should cover the whole of 1985 and that no second budget might be adopted. That was one of the decisions. The other was that taken by the Council according to which the Council refused to negotiate further with the Committee on Budgets and refused any further discussion on the framing of a budget for the whole of 1985. These two decisions taken together could only lead the Committee on Budgets to the conclusion it has reached, namely to recommend a rejection of the budget proposal.

With regard to the first point, i.e. that the budget should cover the whole year, I remember clearly,

when I first put forward this demand a few months back, certain colleagues saying to me: yes, but that goes without saying — it is impossible for a budget not to cover the whole year. And they rightly referred to the Treaties, which clearly state that the financial year runs from 1 January to 31 December. It should therefore be self-evident, and it might be added that there is hardly a finance minister in any of the ten Community countries who would contemplate presenting to his national parliament a budget proposal which only covered ten months, with a comment to the effect that 'any problems arising subsequently we can solve as we go along'! We cannot imagine anything like that happening, yet here we are with the ten finance ministers of the Community joining together to propose a budget which does not apply to the year as a whole.

With regard to the rejection by the Council of further negotiations, I must say that personally I find it irresponsible. I would have preferred — and I think that goes for many here in this chamber — to negotiate right up to the last day, indeed to the last minute, in order to reach a solution and to avoid a budget crisis. But the Council chose to break off negotiations — with three days still to run. In view of this decision in the Council we are fully entitled to ask the question: who is really rejecting the budget? Is it really Parliament, or is it the Council which is rejecting the budget?

The question is as follows: what precisely is the proposal which Parliament will be rejecting on Thursday? Why, the proposal which the Council sent to Parliament after its second reading was almost identical to the proposal it sent after its first reading. The differences consisted of purely cosmetic changes. They were cosmetic in the sense that a few items were entered in brackets, and a few items were accepted which Parliament would have been able to adopt on its own in any case. In other words, progress in relation to the first reading in the Council was infinitesimal. Let me try to sum up the three main problems which were clearly defined by Parliament during our first reading of the budget proposal.

The first of course relates to the whole question of the EAGGF Guarantee Section: the funds entered in the Council proposal do not cover the entire year. It is of course difficult to say at the present time how great the need will be in 1985, but it is clear that the sum of 18 000 million entered by the Council of Ministers is not enough. The Commission's estimate is presumably the best we have at the present time, and according to that estimate there is a shortfall of 1 300 million. With regard to the problems surrounding the repayments to the United Kingdom and the Federal Republic of Germany, it must be said that these are not included in the Council's budget proposal. This despite the fact that a political agreement was reached at Fontainebleau that these repayments should be made. We may argue about how the money is to be repaid. Parliament has one view, the Council has another. But the principle at

¹ *Approval of Minutes — Documents received — Urgent and topical debate (Announcement) — Urgent procedure — Urgent debate: see Minutes.*

Fich

issue here is that this problem has been overlooked in the budget proposal. And finally we have to note that the funds made available for non-compulsory expenditure are extremely small and that Parliament is being allowed very little scope for increasing these funds. It is particularly distasteful to me — and I think the Committee on Budgets as a whole feels the same way — that chapter 9, i.e. policy towards the developing countries, has been systematically plundered. Time and again that is the area which bears the brunt of Council cutbacks in non-compulsory expenditure, and I must say that, in view of the problems we are faced with in relation to the developing countries, the policy the Council of Ministers is pursuing here is utterly incomprehensible to me. Parliament's Committee on Budgets was not willing to accept this proposal from the Council of Ministers as it stood after the first reading and cannot accept it as it stands, broadly speaking, after the second reading. The Committee therefore proposes that it be rejected.

What is the problem in the Council of Ministers? It is not of course that the entire Council of Ministers thinks that we should be presented with such a budget proposal. It is that two or three governments are of the opinion that this is the way. These two or three governments are now in a position unilaterally to determine the position of the Council of Ministers. They maintain that the prime concern is to balance the budget, and it is clear that budget balance is one of the requirements of the Treaties — it is stated in the Treaties, but there are other things in the Treaties as well, such as the fact that the budget must cover the whole year. Moreover Parliament has clearly stated its priorities, namely the fight against unemployment and the fight against hunger in the world, and we do not see these things in the proposal which has been put before us. It must be said that, when the Council of Ministers, or part of it, adheres so rigidly to balance in the budget, it becomes a slave to a single provision, whereas it should of course be a slave to all the provisions of the Treaty concerned with the budget, since they contain the other things which Parliament has demanded.

Clearly, rejection of the budget raises a number of practical problems. It has already been said that problems may arise in relation to the Social Fund and the developing countries, problems in getting the Esprit programme started and of course, after a time, problems in relation to the EAGGF Guarantee Section. But these problems can be solved if the will is there. I therefore appeal to both the Council and the Commission and to my colleagues here in the chamber to endeavour, when the provisional twelfth system resulting from budget rejection takes effect, to minimize the damage to third parties, so that we do not hurt the innocent but keep it a conflict between Parliament and the Council — not a conflict in which third parties are taken hostage for one reason or another.

Mr President, we have now had five or six years of budget crisis, and I personally would have liked us to

have one year of budget peace — indeed I have worked to try to achieve that. It does not look as though this wish will be fulfilled. When the Council had finished its work on the budget proposal, I too realized there was nothing to be done. It was not possible to bring the views into sufficient convergence to afford us a year of budget peace. But in spite of everything I remain convinced that the Community will very soon need a year of budget peace, for these persistent budget crises year after year mean that many other things have to be halted. We are unable to make progress in a whole range of policy fields, because all attention is focussed on these budget crises.

As my last but one point, I should like to address a word of heartfelt thanks to the Irish presidency. It is my firm opinion that the Irish presidency has done everything in its power to meet Parliament's wishes in solving the budget crisis, but of course the presidency was not able to settle all the problems in the Council, and that is why we are in this situation. I can assure Mr O'Keefe, who has just entered the chamber, that the budget rejection which will probably take place on Thursday will not be any negative reflection on the Irish presidency. The Irish presidency does not in my view share the blame for the situation we shall be in when the budget is rejected.

Mr President, with these words I commend my report — a very short report covering only four points — to Parliament to assess and decide upon on Thursday.

Mr Cot (S), Chairman of the Committee on Budgets. — (FR) Mr President, Ladies and Gentlemen, the budget vote is a fundamental event in the life of any parliament. It is the decisive moment at which the contract is concluded with the representatives of the people, the moment which should mark the conjugation of the efforts to be pursued over the coming year in all the Community's fields of activity, the moment at which the will to finance the full range of the Community's programmes should be demonstrated.

Clearly, therefore, rejection of the budget is a grave matter. Let me assure you that your Committee on Budgets does not under-estimate the gravity of the decision that it is recommending to you.

You must be in no doubt that the system of provisional twelfths, which will be brought in if you adopt our motion for a resolution, does involve serious disadvantages, in that it blocks the launching of new policies and obstructs the smooth operation of existing policies, funding for which has to be released month by month, on a limited basis. I must point out, however, that finance for two or more months can be drawn, subject to a Council decision in the case of compulsory expenditure or a Council proposal approved by the European Parliament in the case of non-compulsory expenditure.

Cot

Finally, it is absolutely clear that this system will complicate the work of the incoming Commission, on whose first steps we shall be casting a sympathetic eye. We have no desire to put the Commission under excessive pressure, but it will nevertheless be hampered, handicapped in such a situation.

Why have we been driven to this extreme? Because, as our rapporteur has just been saying, this budget is a budget for ten months instead of twelve, whereas a budget covering a full year is clearly required under the terms of the Treaty of Rome. Needless to say, none of our national parliaments would be prepared to consider such a budget!

But, we shall be told, you are quibbling about details, about principles, when the Community is in a state of crisis. What is true is that, as we see it, this is not a question of details but a matter of principle: budgetary provision on an annual basis is the expression of a community, of solidarity. It is the means used to give an undertaking that the finance needed to cover commitments entered into will be provided over the coming year; a budget for ten months would be a negation of the very concept of a community. Community spirit would be dissipated as we entered an era of constant haggling, an era of never-ending blackmail. Ten months for 1985? Why not six or eight months for 1986 or 1987, followed by some sort of system for doling out resources on a piecemeal basis, which would put paid to any notion of a community?

My description of this situation is not exaggerated. It became clear to us in the course of the budgetary conciliation procedure that a number of States were of the view that the estimates made by the Commission, on the basis of which the draft budget for 1985 had been prepared, were uncertain, liable to fluctuation, of doubtful reliability, and declared that they would supplement the funding to the extent necessary at the end of the year.

This will give you a fair indication of the doubts that had set in about whether it would even be possible to operate to this budget, precisely because it was not going to be capable of covering twelve months. What a retrograde step compared with the *acquis communautaire*, compared with the text of the Treaty of Rome itself! We believe — and this is the fundamental reason for the stance adopted by your Committee on Budgets — that, in a period of crisis such as the present, there is a need for a greater spirit of community, more solidarity, and that this Parliament has no right to allow the budget — the instrument of this spirit of community and solidarity — to disintegrate.

Admittedly, some members of the Council were receptive to our concern and well disposed to conciliation, and the Council made a gesture of sorts by writing into the budget, in square brackets, the amount needed to make up the shortfall.

Without belittling the efforts and goodwill shown by some — notably the Irish Presidency, to which I in turn wish to pay tribute here — I can only take note, point the finger and decry this curious hypocrisy of the entry between square brackets, this new legal category, this curiosity which is anything but a budget commitment since we are being told in the same breath that a supplementary budget will have to be arranged in 1985 in order to cope. The position is therefore as we thought: this is not a budget for twelve months, since a second budget at least will be needed to get us through the year.

The explanation given to us by the Council is that this is the only way to avoid lapsing into illegality, to ensure that we do not breach the agreements of 1970 and 1975 setting the 1% VAT ceiling on Community own resources. But there is a solution, the very one adopted by the Commission and the Council for the supplementary and amending budget for 1984: an intergovernmental agreement on advances from the States to meet the situation. Indeed, the Commission itself had indicated this course in its preliminary draft, which had envisaged advances on own resources. Nor is it even necessary to anticipate the certain exhaustion of own resources in order to opt for such advances, a fact made clear to us in connection with the supplementary budget for 1984. Moreover, I would be tempted, here, to reply: if one course is illegal, the other is even more so. While it may be true that, as matters stand, no solution is available which would be entirely consistent with all the agreements concluded subsequent to the Treaty of Rome, the Council for its part is displaying contempt for the most fundamental provisions of the Treaty, which is the basic charter of our Community, and for the principle of annuality which is spelled out in unequivocal terms.

The crux of the matter — and here again I can reveal without any breach of confidence that one member of the Council admitted as much — is that the problem confronting us is political, not legal. The outcome hinges on whether or not we have the will to use this basic instrument, the annual budget, in the interests of preserving our Community.

Parliament and its Committee on Budgets have tried to keep the door open until the last minute. Mr Fich, our rapporteur, has made the most strenuous efforts to this end, for which I take this opportunity to thank him. The budgetary conciliation procedure was followed. It led to nothing. We were nevertheless prepared to wait, and we did wait until the last moment, until yesterday evening, before recommending to the House the grave step of rejecting the budget. We were prepared to engage in a final effort at conciliation, which could have taken place this week. The Council decided that this would not be appropriate. It is now necessary to draw the only rational conclusion, which is that the budget must be rejected. This is what your Committee decided last evening, by a very large majority.

Cot

Consequently, your Committee decided that it would be illogical for it to give its opinion on the amendments which might have been proposed on the second reading, since that would have been inconsistent with the motion for a resolution that it is proposing, which calls for the outright rejection of the budget.

A final word, Ladies and Gentlemen: if we adopt this course, if you endorse the opinion of your Committee on Budgets, firmness and consistency will be essential. The worst possible thing would be for us to reject this draft budget now, only to accept it lock, stock and barrel a few weeks or months hence. If we adopt this motion for a resolution, we must stick to it; only by doing this can we make an effective contribution to the consolidation of the Community institutions. We must realize what this motion for a resolution commits us to.

(Applause)

Mr O'Keefe, President-in-Office of the Council. — Mr President, on this my fourth monthly appearance before you in plenary sitting, it is my task to present to you the most important points in the Council's decisions taken at its second reading of the draft budget on 29 and 30 November. The Council's session was preceded by a meeting with the parliamentary delegation led by your President, Mr Pflimlin, and followed almost immediately by my meeting on 3 December with your Committee on Budgets.

The general opinion among my colleagues in the Council, and indeed among parliamentarians whom I have had the opportunity to consult, was that the meeting between the Council and the parliamentary delegation was a genuine dialogue in which the participants seriously addressed themselves to the main questions and were able to explain, on both sides and with reasons, how they thought progress could be made. During the Council session I had ample evidence that what had been said on the parliamentary side was in the forefront of Ministers' minds as they examined the results of your votes at the first reading. I had the opportunity to report on the Council session to your Committee on Budgets and to answer the barrage of questions which its members posed to me.

I understand that yesterday evening your Committee on Budgets decided to recommend to you to reject the draft budget. I also understand that in the discussion one of the reasons for adopting such a hard line was that since the Council had decided not to come to Strasbourg on Wednesday to hold a consultation with the Parliament, there was nothing new to discuss and rejection was the only possible course.

I say that this surprises me because of the things said at the same Committee on Budgets last week, when, in response to a suggestion that the Council should be invited to a consultation, a number of speakers from

different groups made it abundantly clear that they did not wish to invite the Council to come to Strasbourg and no such invitation emerged from your committee.

(Protests)

Indeed, your committee took an indicative vote in favour of rejection as if the last words had already been said. I have to say to you in all frankness that this greatly handicapped my personal attempts to sustain the dialogue between the Council and Parliament and that I greatly regret a tactic which has resulted in a totally spurious reason for voting for rejection.

The stated reason is that the draft budget as modified by the Council allegedly does not cover 12 months. I turn immediately to this question, which has commanded the most discussion both within the Council and in exchanges with your Committee on Budgets and with your delegation in dialogue — the question of the supplementary and amending budget for 1985. In interinstitutional discussion this question has been addressed under a number of descriptions — the 10 months' budget, respect for the rule of annuality, respect for the proper functioning of the common agricultural policy, and so on.

For the full understanding of the Council's strategy, it may be helpful if I recall the main factors which have been in discussion: this means to some extent retracing what I have said in previous interventions. Throughout the budgetary procedure for 1985, the Council has taken as its guiding principle that the budget should respect the legislation in force at the time when the budgets is adopted, which means that expenditure should remain within the 1% VAT ceiling. No resources in excess of 1% VAT are currently available to the Community under any Treaty article or under any legislative decision of the Council or under any agreement among the Member States. No simple budgetary entry referring to additional receipts actually creates these receipts, and any proposed expenditure dependent upon the existence of extra receipts would not be possible.

To remain within the 1% limit, the Council reduced the amount requested in the preliminary draft budget. In effecting this reduction, it had full regard to the provisions of Article 203 and, in particular, to Parliament's rights in the field of non-compulsory expenditure. Consequently, the Council was impelled to reduce the agricultural expenditure proposed by the Commission in the preliminary draft budget. This meant that if the Commission's estimates of agricultural expenditure in 1985 are accurate — and the Commission has confirmed that it maintains them, then the provision in the budget is insufficient for the full year. It was in recognition of this that the Council at its first reading entered into a formal obligation which includes an undertaking to meet by 1 October 1985 the additional budgetary requirements that will arise in 1985.

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It also stated that this would be done through a supplementary and amending budget for which additional funds will be provided. This is not a legal text and it did not at that point give rise to budgetary entries. It was, however, a firm assurance that the whole of the 1985 budgetary requirements would be financed. How this was to be done was left open because, in the interval, a number of other decisions relative to the 1985 solution were due to be taken. 1 October was chosen as the last date for decision — not *the* date for decision but the last date for decision because it seemed to the Council essential that the 1985 supplementary budget question should have been resolved before the Treaty date, 5 October, for placing the draft 1986 budget before Parliament.

Some misunderstanding has crept into the question of the budgetary requirements of the common agricultural policy. Some parliamentarians have said that the figure of 1 315 million ECU, which is the difference between what the Commission asked for and what the Council provided, is insufficient because it does not take account of the financial consequences of the 1985/86 price-fixing. The fact is that in the procedure for the establishment of an annual budget the Commission and the budgetary authority based themselves on constant hypothesis without taking account of possible changes in agricultural regulations in the annual price-fixing. It has also been said that the extra provision, 1 315 million ECU, may in any case be insufficient. In fact, it is not so long ago since a number of parliamentarians were arguing that the 1984 agricultural expenditure provision was likely to be excessive. Since then we have seen, in the events of the 1984 supplementary and amending budget and in the outturn, how difficult it is to estimate, even close to the time of expenditure, exactly how much policy execution costs.

When I have appeared before you on a number of occasions during the past three months, I have explained to you that the Council considered that the whole of the necessary common agricultural policy in 1985 was covered — first, by the budgetary entries which the Council made at first reading and second, by the terms of its statement, which was an obligation upon the Council to provide additional funds. You were not satisfied. In your first reading you voted for increased CAP spending and for additional receipts. You justified this by saying that the budget had to cover the whole 12 months, but in doing so you unbalanced the budget because you postulated expenditure for which there is no corresponding income. Your saying that there would be income did not create it, and your proposed revenue entry does not even create any obligation on the Council or the Member States to provide it. That obligation had already been entered into by the Council in the form which I have described.

The Council has consequently found it impossible to follow you because you were asking it to agree to a non-funded budget. However, it recognized your con-

cern and, in an effort to meet it, did agree to two budgetary entries. The first corresponds to your wish to place credits for additional CAP expenditure into reserve in Chapter 29. The second concerns the corresponding receipts. However, in order to show that these receipts do not yet exist and therefore that expenditure cannot be incurred, the Council placed these amounts in square brackets, observed that they were not included in the budgetary totals and recalled in the form of commentary its declaration concerning the additional budgetary requirements for which additional funds will be provided — this without prejudice to the nature of these funds.

I have heard it argued that the step forward which the Council took in response to Parliament's demands is a divergence from budget practices observed throughout the Member States, because it still leaves the Community with a budget for less than 12 months. As I have explained, I do not accept and the Council does not accept the substance of the criticism, because financing and expenditure are assured for the whole 12 months of 1985, just as they are also assured by the Council's actions and those of the Member States for the whole of 1984 — the year in which own resources ran out.

I would also point out that the argument which invokes national budgets shows the danger of false analogies leading, as they must, to unfounded conclusions. To the regret of many Member States their national budgets balance and cover a budgetary year only because of recourse to public sector borrowing. The plain fact is that we in the Community do not possess this facility. Whether in some vast budgetary reform we should possess it is irrelevant to the discussion we are having today.

Some honourable Members contend that there is, in fact, no financing problem because, in their opinion, Parliament has the power to determine the level of receipts. Whatever else may be said about this long-standing argument, I think we could agree that no Community institution has the power to fix VAT in excess of the ceiling prevailing at the time. I should be surprised if you were to maintain that Parliament has the power to dictate to the Member States what they should pay under the terms of legislation which does not exist and which the Council, as legislator, would have to adopt as the legal basis for any budgetary entry providing for other receipts. Thus, when some of you criticize the budget by alleging that the Council has the power to provide additional receipts but has refrained from exercising that power, you are, to put it very simply, in error. The Council has said, originally in its statement and now in the framework of budgetary entries, that additional funds *will* be provided.

Some honourable Members have said that while they might not agree with what the Council did at first reading, it was at least logical. What the Council did at second reading was equally logical because it trans-

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posed its statement into budgetary terms. The question is asked: Are these budgetary entries a legal basis for additional revenue and additional expenditure? The clear answer is that in themselves they are not and were not intended to be. They indicate how additional CAP expenditure which will give rise to additional budgetary requirements will be met. In that sense the Council's decision at second reading is a political signal. You frequently tell us that what you want with the Council is a serious political discussion. A political signal of that kind is not one to be interpreted by looking at Treaty articles. It is perhaps unfortunate that on both sides of the budgetary authority we tend at times to overlook this distinction and inflict upon ourselves some of our more sterile quarrels.

What, in essence, is the result of the Council decision on 1985 CAP expenditure and funding? It maintains the balance of the budget. It does not prejudice the form which the additional funds will take. It recognizes explicitly that additional budgetary requirements will arise in 1985. It shows how these additional requirements will be met. It translates the Council's statement, which remains unchanged as an obligation entered into by the Council, into language used in the budget. It indicates in the budget itself a figure for EAGGF expenditure over the year. My view, which I have conveyed to you often enough, was that what the Council had offered on its first reading was, in all the circumstances, equitable. At its second reading and in an unmistakable response to your advocacy, the Council has gone beyond its earlier solution and has, in my view, succeeded in finding the point at which the budgetary authority should now reach the agreement which will enable the budget to be adopted.

Another question which presently divides us is the correction of budgetary imbalances or, in more familiar terms, the budget correction for the UK — with German consequences. Before I come to the point of divergence, it is highly satisfactory to note that now on the principle of budgetary correction there is no disagreement, either on the budgetary amount or on the actual correction being made in the 1985 budget, where you have not employed Chapter 100 this year. In the light of the long and divisive history of budgetary corrections, this can be regarded as a significant concertation within the budgetary authority.

Unfortunately, we remain divided on the method. You voted for compensation to be on the expenditure side. In effect you are in favour of continuing existing arrangements based on regulations which expire this year and which there is no proposal to renew. Your argument, part of which is to be found in the resolution which you adopted on the own-resources decision, is as follows. First, expenditure policy is the answer to budgetary imbalance, and this was recognized by the European Council. Second, modulating the VAT payment by Member States violates the principle of unity. Third the European Council was wrong to give to budgetary correction the same duration as

the increase in own resources, because you prefer a shorter period. You sometimes argue that budgetary correction will make a hole in expenditure.

Quite frankly, none of these arguments holds water. The European Council meeting in Fontainebleau declared that expenditure policy was the solution to budgetary disequilibria, ultimately. But since this ultimate solution is not available and has not come appreciably closer since the great debate began several years ago, the European Council decided that the corrections should be deducted from the UK's normal VAT share in the budget year following the one in respect of which the correction is granted with an adjustment also in the VAT share of the Federal Republic of Germany.

When my predecessors in the French presidency described this to you at the incomplete stage of the negotiations last March they said this, and I quote:

'To save the peace of our marriage among Ten, the presidency, like the Commission and the European Council recognized reluctantly that the only way of avoiding the return to annual quarrels damaging to the good functioning of the Community was to construct a mechanism resting on simple and equitable rules. This, and we do not conceal it, is a 'considerable concession to one of the newcomers in the Community'.

The solution found by the European Council was welcomed all round as one capable of ending the series of weary and debilitating annual wrangles to secure *ad hoc* rebates. It was part and parcel of the agreement on own resources described by my own Prime Minister as opening the way to an increase in own resources, thus providing the means for the enlargement and the relaunch of the Community and creating an atmosphere and spirit in which a relaunch becomes possible.

The Taoiseach also pointed out that the agreement does not strike at fundamental Community principles. It does not incorporate features which would undermine the system of own resources. In its definition of the basis for the correction it gave clear recognition to the fact that customs duties and agricultural levies of which are the property of the Community should be added, and I quote:

'I will not pretend that the agreement fully corresponds to Community financial orthodoxy, but it is a pragmatic arrangement which has resolved a longstanding problem without doing violence to the foundations of the Community.'

I myself analysed the correction system for you on 13 November. I said then that it was simple, transparent, effective and, in addition, abolished the need for the long administrative tail of the other system. I pointed out that in budgetary terms the effect is precisely the same and for this reason it was impossible to understand your comment in your own resources

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resolution that correction on the receipts side reduces the resources available whereas correction via expenditure does not. In fact, some among you suggest that if there is a correction it reduces expenditure available for other purposes and that there is therefore a hole in the draft budget. It is this hole which you propose to plug with the additional receipts of 1.5 billion, which you have chosen to write in on the receipts side.

Let me remind you that the Council in the draft budget makes no provision at this stage for the budgetary correction. It refers to this in its declaration along with the additional financing of CAP expenditure. If therefore the budget were adopted in the form in which the Council presents it to you, there would be no hole and no shortfall of budgetary means because of the correction. The European Council's conclusion clearly says that the resulting cost for the other Member States will be shared among them according to their normal VAT share with the adjustment for Germany.

I have said before, and I make no apology for saying it again, that it is my hope that we can avoid endless debate over this question. There cannot be much doubt that politically — I am thinking of relations among the Member States — administratively — I am thinking of the vast amount of sheer paperwork and bureaucracy which is required to operate special measures — and in terms of measurable effect — I am thinking of the availability of budgetary resources — the system negotiated through successive European Council meetings up to Fontainebleau, is one that will work in a straightforward fashion without perpetuating wearisome negotiations and persisting discord.

There are a number of other important matters which engage the Council and which I should report to you more briefly. The Council followed your initiative on the Mediterranean integrated programmes by placing 15 m ECU in commitments in Chapter 100 and leaving open the lines to which they should be transferred, this being a matter to be settled within the framework of the enabling legislation. As you know, the Mediterranean integrated programmes were extensively discussed at the European Council meeting in Dublin about which my Prime Minister will be speaking later today. The Council maintained the bulk of the increases in commitments which you provided for the Regional and Social Funds. These now well exceed the Commission's proposals in the preliminary draft budget.

When I reported to you in October on the meeting in San José, you asked about the Community's aid effort in Central America. The Council has made provision both in commitments and payments for increased assistance in 1985 to Central American countries.

The Council took a series of decisions concerning food aid. This has, perhaps, become one of the most important chapters in our budget so far as the outside

world is concerned, as well as being a long-standing priority of the European Parliament. What we are able to do now within the framework of our budgetary work is insufficient. The European Council in Dublin, to which I presented my recommendations following my recent visit to parts of Africa, has decided on a greatly increased effort from the Member States of the Community. It will be an early and urgent task, but not one for today, to give effect to the European Council decision that total food supply to Africa from the Community and from the Member States should be raised to 1.2 million tonnes.

Because of the importance of the subject and because I think there are a few differences between us, I think I should explain the current situation in some detail. Part of the Community's food aid is in cereals and rice under the provisions of the Food Aid Convention. You wanted to increase payment appropriations for cereals and rice for the Convention, but these increases are not in fact needed and would not serve a purpose so far as the Convention is concerned. The Council has therefore maintained the payment appropriations as well as the commitment appropriations requested by the Commission. These will enable the Community to discharge its obligations under the Convention. You also proposed reductions in the appropriations for milk powder and for butter oil. These reductions would have prevented the Commission from maintaining its effort on behalf of traditional beneficiaries. For this reason, the Council agreed to a reduction of only 10m ECU in commitments and 9.7m ECU in payments, the payment appropriations being used to increase food aid in cereals. For food aid, vegetable oils and olive oil the Council reinstated the amounts proposed by the Commission in the preliminary draft budget. For food aid and other products the Council accepted Parliament's amendment in its entirety.

I believe that this is a balanced package and that it deserves to go ahead as the first effort while we prepare for a second phase of massive cereal supply from the Community and its Member States to the stricken areas of Africa.

The Council gave special attention to what you had suggested for Title 7 and it agreed that these are areas of activity which are vital to the future economic well-being of the Community. For the title as a whole, the Council agreed to add 89m ECU of commitment and 55m ECU of payment appropriations. This includes increased appropriations for hydrocarbon development projects and for the main research programmes, radioactive waste management, non-nuclear energy, environment, development of developing countries, Esprit, advanced communication technology and stimulation of scientific and technical potential.

This analysis of the budgetary structure which emerges from the Council's second reading leaves me to share with you some reflections prompted by things

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said by some members of your Committee on Budgets on what would happen if the necessary majority is found among you to reject the 1985 draft budget.

At the meeting of your Committee on Budgets last Monday, I sketched out some of the consequences which rejection of the 1985 draft budget would have as far as the implementation of some of the major Community policies are concerned. My brief analysis has since been translated into a somewhat more detailed one by the Commission representative in your Committee on Budgets.

According to the Commission which, as you know, would be responsible for implementing the system of provisional twelfths, the application from 1 January of the parameters imposed by Article 204 would have the following effects. For EAGGF guarantee: instead of the 18.3 billion ECU available in 1984 and the 18 billion available in the 1985 draft, only 16.7 billion ECU would be available under provisional twelfths. There is a certain irony in the fact that rejection of the budget would have the effect of reducing the amount of money available for EAGGF guarantee by 1.3 billion ECU, exactly the same amount by which the Council has committed itself to increasing it by 1 October next.

The Commission further concludes that it would be able to make average monthly advances of only 1.34 billion, as compared with the 1.6 billion which it considers necessary. So right from the beginning of January we would have an EAGGF problem on our hands.

It could, of course, be argued that the Treaty provides for the Council to go beyond the provisional twelfths in respect of compulsory expenditure. But, of course, as outgoing President, I can give no guarantee as to what the Council's position on that question will be in the New Year.

The Commission further drew attention to the social policy sector. In 1984 1.63 billion ECU were available in payments. In our 1985 draft we have budgeted for 1.44 billion, whereas the application of provisional twelfths leaves us with 1.29 billion. In fact the situation in respect of the Social Fund would be even more serious in the event of the rejection of the budget.

Article 4, paragraph 2 of the Social Fund regulation No 2950/83 provides that: 'The Commission shall take decisions on applications before 31 March. If the date of adoption for the budget for the financial year is after 1 March, the Commission shall take its decisions within 30 days of that date'. This seems to indicate that all activity resulting from the new Social Fund Regulation, the commitment of fresh appropriations and all payments arising therefrom would be totally blocked until the month following the formal adoption of the 1985 budget. The Community would not even be able to operate on the basis of a provisional twelfth system.

In the politically sensitive area of the budget devoted to cooperation and food aid — Title 9 — the volume of payment appropriations available under provisional twelfths would be cut back to 700m ECU as against 841m in the amended draft budget and 929m in 1984.

On the revenue side there would not be a major problem, since the VAT component would be limited, to the 1984 level; traditional own resources, customs duties and agricultural levies are collected as they arise. There would, however, be certain cash-flow problems in view of the particular situation obtaining at the end of this year.

Mr President, when the Council met the parliamentary delegation for the budgetary dialogue 10 days ago, I was left with the impression that there was a genuine desire all round to sustain our arguments but to avoid a conflict if the outcome of this conflict would be to the Community's loss. Unfortunately, this is no longer the case. I have given you a full statement of the reasons upon which I base the contentions of the budget presented to you by the Council, a budget which will cover the whole year. I have explained the commitment which the Council has taken upon itself to ensure that the whole of the 12 months will be covered. I have today also tried to explain to you what the budget does and the pursuit and development of some of the major policies which have been worked out among our institutions. I believe that budgetary powers should be used to carry these policies forward, not to frustrate or block.

I therefore call upon you to join with us in the Council in creating the conditions which will permit the budget to be adopted and will permit 1985 to become a year in which the Community moves forward towards the goals which it has already set for itself, and the others which are in the course of elaboration, rather than the year in which budgetary sanctions are applied and a vast effort has to be invested among the institutions in finding solutions to problems which we impose upon ourselves as distinct from those with which we are confronted.

Very simply, in conclusion, I do not suggest that the budget as it stands is a perfect one.

(Laughter)

How could it be? We are subject to financial constraints because the necessary additional resources are not yet available to us. Parliament is as much bound by the present limitations in the Treaty as is Council. As joint budgetary authority, you jointly share budgetary powers. Yet, *ipso facto*, this means you also share the responsibilities, of which the principal one, I suggest to you, is to find a practical solution to our current problems.

Is it in the interests of the Community and its citizens to have a budget for 1985? I believe that the answer

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must be a resounding 'Yes'. The corollary naturally, I believe, must be that it is not in the interests of the Community and its citizens to have rejection.

I would ask those who, in these difficult financial circumstances, would elevate a desirable objective into an unbreachable principle to reflect on the adage, is it wise to cut off your nose to spite your face? My final appeal to you therefore, as a politician speaking to politicians, is based on the most fundamental principle of all, now that interinstitutional procedure, discussion and dialogue has brought us to the point where that fundamental principle can inform your decision.

What is the principle of which I speak? Very simply, it involves basing your decision on whether adopting the budget for 1985 is in the best interests of the Community and its citizens or not. Surely, as politicians, that must be the basic and fundamental motive informing your decision. If you accept this principle, then it seems clear to me that we must have a budget for 1985 and we must have it now!

(Applause)

IN THE CHAIR: MR DIDÒ

Vice-President

Mr Tugendhat, Vice-President of the Commission. — Mr President, when I spoke in this House last month, during Parliament's first reading of the 1985 budget, I was glad to note that Parliament seems disposed to follow the basic approach of the Commission as regards the 1985 budget. Parliament expressly endorsed the Commission's view that the budget should cover all the necessary expenditure requirements of the year and it restored a large proportion of the cuts which the Council had made in the non-compulsory field in respect of the proposals put forward by the Commission in its preliminary draft budget. Indeed, on all the major lines Parliament's figures were within 5% of those of the Commission.

The Council in its second reading has accepted a number of Parliament's amendments in the non-compulsory field and has recognized, in a somewhat more clear and explicit fashion, the expenditure requirements for the EAGGF guarantee which the Commission originally identified in its preliminary draft budget. Thus Parliament and the Council do not differ so very much in terms of their evaluation of the Community's expenditure needs in 1985. In fact, they both follow rather closely what the Commission originally proposed. There is, of course, some discrepancy — as there has been during all the past eight years which I have experienced as budget Commissioner — in the appreciation with regard to non-compulsory expenditure. But even this is not, this year, so very dramatic.

Mr President, despite this similarity in the positions of the institutions in the evaluation of the Community's expenditure requirements, there is a significant difference of approach between the Council and Parliament as regards the means of financing these requirements. The Commission has consistently advocated the adoption of an initial budget for 1985 providing full and proper provision for these requirements for the complete 12-month period. We have also presented the necessary legislative proposals to enable such a budget to be adopted. Parliament has endorsed the need for a 12-month budget. The Council, while committing itself politically to the eventual establishment of a draft supplementary budget for the additional amount required, has not been able so far to adopt the new legal instrument necessary to permit resources in excess of 1% of VAT to be called up.

In addition, Mr President, there is a problem concerning the measures of budgetary compensation for the United Kingdom and Germany. Here again I have made the Commission's position on the matter clear on earlier occasions. Whatever the merits of the case, the Commission recognizes that the agreement reached at Fontainebleau which provided explicitly for this compensation to be effected through an abatement on the revenue side, was the product of a long and difficult negotiation. We therefore consider it right to make proposals which are consistent with that agreement.

The Commission naturally hopes that despite the differences of view between the two arms of the budget authority, it will none the less be possible to reach agreement on a 1985 budget. We believe that it would be in the best interests of the Community to avoid a budgetary crisis now after so many months, not to say years, of difficulties and conflicts in the budgetary field. The objective of adopting a budget for 1985 without another budgetary crisis would seem even more warranted, given the large consensus which exists on the Community's actual budgetary needs for the coming year.

Finally, Mr President, there are the continued problems over enlargement and the need to reach agreement on the ways of further developing the Community and carrying it forward to be taken into account. For all these reasons and in accordance with the joint declaration of 30 June 1982, President Thorn has invited his presidential colleagues of Parliament and the Council to a triologue meeting this afternoon in an attempt to prepare the ground for a resolution of the outstanding problems. The Commission hopes very much that it will be possible for the Council and Parliament, even at this late hour, to come to an agreement and adopt a budget for 1985. We, for our part, Mr President, will use our best endeavours to help to bring about such an agreement.

If the Council and Parliament fail to resolve their differences, and the budget is rejected, I, as the House

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knows, will not be here next year to deal with the consequences. I, therefore, have no personal interest to defend. But I am sure, Mr President, that continued inter-institutional conflicts over questions that public opinion finds very difficult to understand is not in the best interests of the Community. When powers are divided between two institutions, as they are in the budgetary field, creative tension is inevitable. But the interests of the Community as a whole ought to come before those of individual institutions. Mr President, if the Council and if Parliament care about the Community, they should be prepared to reach a compromise.

(Applause)

Mr Marck (PPE). — *(NL)* Mr President, the Committee on Agriculture, Fisheries and Food has no difficulty in agreeing with the conclusions drawn by the rapporteur. Even at the first reading the committee expressed considerable dissatisfaction with the draft budget because it does not meet the requirement that a budget should normally cover expenditure and revenue for a whole year.

That is why we have given our full support to the amendment that calls for a 1 300m ECU increase in EAGGF Guarantee Section expenditure and why we have proposed modifications to the appropriations for the Guidance Section of the EAGGF. Despite all its undertakings, the Council has made concessions in only a few insignificant respects and left the basic issues untouched. The threat of all manner of blocking in early 1985 is a form of blackmail for which we must hold the Council responsible and which is also due to its obstinacy.

Furthermore, most members of the Committee on Agriculture, Fisheries and Food and perhaps many other Members of Parliament are wondering who in fact rules the roost in the Council of Ministers now. We have the impression that some of the Finance Ministers are putting the brakes on or completely obstructing any kind of normal budgetary evolution, and this is to ignore the fact that some of these Ministers will be sitting on the Commission benches from next month, with all the ontological problems that will entail.

We of the Committee on Agriculture, Fisheries and Food wonder how much influence the Agriculture Ministers have now that they have been forced to play the role of technical ministers, charged with implementing what others label as agricultural policy. Let us have none of these complaints that the representatives of agricultural interests in both Parliament and the Council think only of spending. The introduction of the milk quota and the considerable opposition to this measure among farmers in all the Community countries are proof that Parliament and the Council of Agriculture Ministers have the courage to take and

support unpopular measures designed to cut expenditure drastically.

We hope that on the adoption of this draft budget Parliament, the Council and the various branches of the Council will again assume their respective responsibilities. It will then be possible to pursue the agricultural policy as it should be, and this agricultural policy, the only common policy, will not be at the mercy of a few Finance Ministers.

Mr Adam (S). — Mr President, the committee has not formally considered the question of possible rejection of the budget for 1985. I suspect that our committee is perhaps better placed than some of the other structural spending committees and therefore might be able to face the prospect of rejection a little bit more evenly.

It would be churlish not to recognize the attempt that the Council made, at its second reading to come some way to meet our requests for additional expenditure on the energy and research side. But I am bound to point out to Parliament that we still lack a firm commitment from the Council towards the framework programme which was agreed last year. We are still waiting for firm signs from the Council that they will adopt a solid-fuel policy. Our past experience of the way in which the money that we have managed to add during the budget procedure has not been spent takes the edge off many of the comments that the President-in-Office of the Council has made this morning.

We recognize that there is going to be a big pressure exerted on non-compulsory expenditure in 1985 just as there has been in 1984. The committee has already discussed this aspect of the budgetary problem. We are determined as a committee to do everything we can to ensure that even in a provisional twelfths system the Commission will spend the money for the budgetary items that we have already agreed. This is one of the questions that the President-in-Office of the Council did not really address this morning. A great deal has been said about the agricultural sector. Very little has been said about the non-compulsory expenditure and the way in which Parliament's rights over that sector of the expenditure are progressively being squeezed. As a committee we recognize the challenge that we are facing and we support the Committee on Budgets in its stand.

Mrs De Backer-Van Ocken (PPE). — *(NL)* Mr President, ladies and gentlemen, the profound differences of opinion between Parliament and the Council have already been discussed at length. I should like, in my turn, to say a few words about a problem which many people may think less important but which will be a stumbling block in cooperation between the Council and Parliament and clearly reflects a troubled relationship between the two institutions. I am speak-

De Backer-Van Ocken

ing now principally as a member of the Committee on Women's Rights, but I shall also quote a number of flagrant examples I have collected as a member of the Committee on Development and Cooperation.

There is nothing unusual about the Council not wanting to exceed certain budgetary limits. We appreciate that it is not willing to accept the figures proposed and approved by Parliament without a murmur — establishing a budget is always rather like haggling in a Persian market — but it is inconceivable that the Council should go completely against the trends and political tendencies indicated by Parliament. And yet this is precisely what is happening. Parliament wants the disproportionately high rate of unemployment among women to be tackled with suitable information and training instruments. The Council says no. At the request of the general rapporteur these items are approved by the Committee on Women's Rights, the Committee on Social Affairs and Employment, the Committee on Youth, Culture, Education, Information and Sport and the Committee on Budgets. The whole of Parliament agrees. But the Council again removes these appropriations, despite the clear arguments that have been advanced, even where an increase in expenditure is not in fact requested.

The situation is even worse where development cooperation is concerned. The Commission, the Committee on Budgets and the plenary opt for a structural approach and a forward-looking policy to make today's disastrous food shortages impossible in the future. The Council does not agree. To improve food supplies, parliamentary committees and Parliament propose that dairy products should be replaced with cereals and rice, which would not entail an increase in expenditure. The Council does not want this and reinstates its original figures. This is really incredible! It reminds us of the fighting that goes on in the national governments between the finance and other ministers, but they at least have a lengthy and thorough consultation procedure for arriving at a consensus. There is none of that here. Like some god, the Council thinks it can reject everything and that it must reprimand Parliament.

But worst of all, the Council uses fine words to avow the very principles Parliament wants to see adopted. In San José everyone was very philanthropic, unemployment was said to be the greatest evil, but in fact — contrary to Parliament's will — an efficient form of food aid is being boycotted, a realistic employment policy is rejected, and there is even a tendency to regard the problems which women face as marginal. This disregard for Parliament's political will is unacceptable.

Mr Welsh (ED). — Mr President, I rise in the absence of the committee's draftsman, Mrs Dury, because I think it is important that somebody should reply to what the President-in-Office had to say about the

consequences of rejection for the Social Fund. Parliament has been in the forefront of the institutional battle to increase the Social Fund, so that it contains an adequate response to the problem of unemployment.

Any threat to advances on the Social Fund must of course make us pause. However, we ought to take note of the fact that in the year that has just finished, 1984, the Commission was unable to pay any advances on the new projects under the new regulation for the Social Fund until September and my committee will be receiving a report next week from the Commission which, I suspect, will indicate that the vast amount of new advances were paid only in the last two months of this year. It is also true that in view of the budgetary constraints, it is most unlikely that the Commission will be able to make advances against the Social Fund for new projects during the first quarter of next year anyway. In other words, the squeeze on resources in such that the regulation itself cannot be implemented as originally intended. Indeed, in proposing the budget for this year, the Commission has already reduced the rate of advances available well to below the 50% that was foreseen in the regulation. Therefore, when considering the issue of rejection, I do not consider personally that the Social Fund is an issue because whatever happens whether we reject it or not today, it is most unlikely that the Commission would be able to pay advances on new projects in the first quarter of next year. But by the first quarter of next year we trust that the Council will have come to its senses and have adopted a budget for the full 12 months which will enable us all to implement the Community policies. I make that point simply because the President-in-Office made specific reference to the Social Fund and I think that Parliament's position should be made clear.

Mr Ebel (PPE). — (DE) Mr President, ladies and gentlemen, as rapporteur for the Subcommittee on Fisheries I should like to point out that my Committee rejects the 1985 draft budget not only for the reasons outlined this morning to the House by the general rapporteur, but also because it wishes to express its deep disappointment at the fact that the Council has seen fit, in the second reading, to cut back the provision of 15 million ECU in the non-compulsory area of fisheries by 13 million ECU, thus reducing it to a mere 2 million ECU. In the interests of the European fishing industry we can on no account accept this.

During the first reading I emphasized that my Committee, with meticulous care and taking account of the Community's current financial circumstances, was seeking to use only those funds which were absolutely essential if the common fisheries policy were to continue at all. In our view the Council's measures have reduced our good intentions to a joke. Consequently my Committee finds itself unable to approve this budget in its present form.

Mr Dankert (S). — (NL) Mr President, I will begin by thanking Commissioner Tugendhat for what he has

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just said. I say this with some hesitation because I did not think there was any chance of his being today after the European Parliament's refusal to grant the Commission a discharge, although I am grateful for the work he has done in the last few years. In recent weeks I have seen quite a few Commissioners beating a nasty retreat, and this leads me to conclude that not everything can be left to the President in the Commission's last few weeks. But I think it would have been politically better if the appropriate Commissioners had drawn the logical political conclusions on the basis of the statements made in 1977 by Commissioner Tugendhat and others. I believe this would have improved the Commission's political prestige. I will say no more about this, Mr President.

The President of the Council, who is no longer here, has just said that it is not in the Community's interests for this budget to be rejected. I agree with him. At the same time, I would say that it is even less in the Community's interests for this budget to be adopted. That is the dilemma facing a Parliament which is aware of its responsibility. My group takes the view that this budget must be rejected because its adoption is even less in the Community's interests than its rejection. Why? Because — and I will summarize the reasons by again quoting the President of the Council — the Council is taking so long to find practical solutions to our current problems that there is no sign of a genuine and responsible approach to the Community's budgetary problems.

As the Socialist Group pointed out in late 1983 on the basis of the information then available, there has been a considerable shortfall in the 1984 budget, and the Commission must take some of the responsibility for this. At the time no one thought this would happen, but I believe the dismal fact that a supplementary budget was needed in 1984 shows that those who predicted this shortfall were right.

A supplementary budget then, but I will let that pass. However, if the establishment of this supplementary budget has to be accompanied by the violation of basic principles relating to proper budgetary policy, I believe we are even less likely to find practical solutions.

I am still not sure how things really stand with this 1984 supplementary budget. We know that revenue will be substantially lower than the Council estimated. There is considerable uncertainty about expenditure owing to the confusion over budget lines and cash items. This clouds the issue, inevitably resulting in growing tension in the cooperation between the two sides of the budgetary authority, in one side viewing the other with increasing distrust and in disputes becoming unavoidable. In my opinion, the Council is completely and exclusively to blame for this approach. I believe Parliament is now talking about rejection because it does not consider such an approach to the budget to be in the Community's interests.

Despite all the Council's juggling, I can only describe the draft 1985 budget a monstrosity. The Council has provided for more agricultural expenditure at the second reading than at the first. But I do not understand why it has to be put in square brackets. From experience I know that the Council has always used square brackets to indicate that it is not talking about what was between these brackets, but that is, of course, a minor point. For all practical purposes they mean nothing, and the chairman of the Committee on Budgets has already said that, according to the Council, a supplementary budget will have to be established to make this expenditure possible.

The Financial Regulation is extremely clear on the question of supplementary budgets. It says that one of the features of a supplementary budget is that it cannot be foreseen when the budget proper is established. Well, I have never known anything placed between square brackets not to be foreseeable. Nor in the Community's budgetary history have I ever known compulsory expenditure to differ so radically from the Commission's forecasts as the Council is now predicting for 1985.

Furthermore, the President of the Council did not discuss the British contribution. If I consider the decisions taken in Fontainebleau to be valid — and why should I not consider them to be valid? — many of the Member States will easily exceed the 1% limit, which means that in the final analysis we cannot even exclude the possibility of expenditure being met from intergovernmental contributions rather than own resources. This is a corruption of the Community's budget policy and is irreconcilable with the search for practical solutions to our present problems. With this kind of problem the Council of Ministers is helping to smash the Community's budget and seriously to impede the operations of the budgetary authority.

It is for these reasons that the Socialist Group is in favour of rejection. We also have various very practical ideas in mind in this respect. I would refer you once again to the history of the 1984 supplementary budget. The Council failed to consider the additional expenditure that would have to be met by the Member States or by the Community to get through 1984. The Member States put in bids as if at an auction for the amount they were willing to provide to get the Community over its difficulties. The amount to be provided was fixed quite arbitrarily at exactly 1 000 m ECU, although this has not yet been received and will only be collected in 1985, if at all.

I would not completely exclude the possibility of our facing a situation in 1985 in which, let us say, 3 000 m to 4 000 m ECU is needed and the Member States again play the game they played in 1984 and say: we bid 1 500 m or 2 000 m ECU, and otherwise we will adjust revenue slightly and the Commission will save something on projected expenditure. Parliament might thus put itself in the position of adopting amendments

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to the budget, being satisfied with the result, with the favourable effects they will have on Community policy, and then in September being confronted with a Council of Ministers that wants three or four times as much as Parliament has entered in the budget through the amendments it has adopted.

That too is a corruption of the relationship between the two sides of the budgetary authority, which I believe is unacceptable, and I therefore say: if Parliament does not reject this budget, it will be weakening its position as a bastion of a joint budget policy of the budgetary authority. I also feel that, by not rejecting the budget, Parliament will harm and weaken the Community. These are the basic reasons why my group is opposed to the draft budget in its present form.

I do not understand why the President of the Council should suddenly say the Parliament did not want consultations, that the Committee on Budgets or the political groups in this committee were opposed to consultations. Mr President, how absolutely ridiculous. All the members of the Committee on Budgets have made it abundantly clear that we are, of course, prepared to talk to the Council, but that we think consultations with the Council will not produce anything unless it is prepared to go further than it has so far done where this basic element of the 1985 budget, resources for the full twelve months, is concerned. I did not hear Mr O'Keefe give any indication in his statement of the Council being prepared to do this. This means that at best the Council would be willing to give Parliament ten, twenty or thirty million more, to buy off Parliament with a tip at the expense of basic budget policy principles. Mr President, that is something to which we cannot agree.

(Applause)

Mr Langes (PPE). — *(DE)* Mr President, the Council President is of course right when he says at the end of his speech that it is better that the European Community should have a budget for 1985 than no budget. But let me tell him this: what you, Sir, have laid before us on behalf of the Council is no true budget. To put it differently: the piece of paper whereby you hope to wriggle out of the problem, using a formula which you have placed in square brackets and have yourself just described as 'budgetary terminology', cannot be accepted as a budget for this Community, for its many hundreds of millions of citizens and also for those world citizens whose interests we have at heart, particularly as regards development policy.

For this reason, Mr President-in-Office, I have to tell you on behalf of the Christian-Democratic Group that we are unequivocally and unanimously of the view that we must reject this budget. We must reject it because — and here I need not repeat what my friend Mr Dankert has said — the Council has known for

years that we should need special financial arrangements for 1985, but it has not fulfilled its obligations. It has fallen down on the job.

We must reject the budget — not that we find this easy, not that we want to give the Council a slap on the wrist, but simply for the sake of the Community. For this Community requires of us sensible and appropriate policies; it wants us to be able to introduce and finance reforms in the agricultural sector, to make progress in our industrial policy and to pursue a meaningful development policy.

Parliament made its proposals, Mr President-in-Office, and without being vain enough to claim that we alone had all the answers we did think that we, as the elected representatives of these 270 million citizens, were entitled to some say in them. The Council does not think so. For the Council this Parliament is merely a plaything, to be tossed about at whim and told that it has to bow to political necessity. But we shall not allow ourselves to become the Council's plaything, for the citizens of the Community do not expect us to compound the indecisiveness and incompetence of the Council by bending the rules and drawing up a budget of a kind unequalled anywhere else on earth, even if you, Sir, have sought to deny that this is the case.

The Council has conceded that this budget will not enable us to achieve the minimum required of us — whether for ten, eleven or nine months, it doesn't matter — and it is wrong for the Council to keep talking of a 'supplementary budget.' This would not be a supplementary budget: the Council is saying right from the start 'I have to have *two* budgets'.

It was actually my intention today to thank the Irish presidency, for it has made great efforts, and I know that no less than five Member States were unwilling to agree to a reasonable solution. But your speech today, Sir, was an attempt to throw up a great smokescreen. To repeat what you said yourself: if, in connection with the system of provisional twelfths you say it is impossible to predict what the Council will do in January about the EAGGF — this is precisely what we members of this House are saying! Come October, who can say if the Council will still remember what it has promised today? Who can say if the Council is really prepared to keep those promises? It has undertaken obligations to itself, but not as regards the budget. It has not enacted any budget law, but has made statements. Think of the supplementary budget and how hard it was to get one country to meet its obligations. Do you believe we can trust the word of this Council:

This Council's word counts for very little in this Parliament — unfortunately, it must be said, for the European Community would have been better served if we, Parliament and Council, could have overcome

Langes

the crisis together. Once the budget is rejected we shall be prepared to talk with the Council again.

It will then have to show us that it is truly prepared to understand that Europe is not the sum of ten states, but the community of its peoples.

(Applause)

Lord Douro (ED). — Mr President, I very much regret that the Budget Council decided not to meet tomorrow in Strasbourg. It has been the custom for some years now that the Budget Council does meet in Strasbourg the day before the second reading by Parliament of the following year's budget. I fear that the decision by the Council not to meet shows that there is no spirit in the Council to seek a compromise. I heard clearly what Commissioner Tugendhat said. Indeed, at the conciliation meeting I made a plea to the Council and to my parliamentary colleagues to try to seek a compromise. However, I am afraid that the Council, by deciding not to meet, has taken a provocative step that has virtually ensured that this budget will be rejected on Thursday.

Also — and this is in a sense more worrying — this decision by the Council demonstrates a lack of respect by the Council for the other arm of the budgetary authority. We are a joint budgetary authority and when the Community is facing the possibility of no budget for the ensuing year, one would expect the two arms of the budgetary authority to get together and try to seek a solution. The failure of the Council to meet tomorrow in Strasbourg shows that it does not take its position as part of the budgetary authority seriously enough.

I would, of course, like to join others who have pointed out that we must not blame the Irish presidency. The Irish presidency has tried very hard, I am sure, to avoid this potential conflict. However, I am afraid I must say to the President of the Budget Council that I think he was misleading when he said in his speech that he believes that the Committee on Budgets did not wish to have a conciliation meeting tomorrow. That is a completely incorrect understanding of what transpired last week in the Committee on Budgets. I am certain that there was a hope in the Committee on Budgets that we would have a meeting and that some agreement would be reached. Of course the Committee of Budgets wanted to send a signal to the Council to show that it sought a certain minimum step by the Council, but I really do think that it is a spurious point to suggest that the Council could not come because it never received an invitation. That really is not a serious defence of its decision.

The fundamental objection to this budget is that it does not include all the anticipated expenditure and all the anticipated required income for next year. It is a fundamental principle of all budgetary systems, as

other speakers have already said, that a budget must be a budget for a full year in the light of the best estimates available at the time. The President-in-Office of the Council, the Commission and all of us know that this budget does not include all estimated expenditure for next year. What has happened is that there have been decisions to spend money, but there has been no decision on how to finance it. That is principally because one Member State has refused to bring forward the date when new increased own-resources will be introduced. However, the fact remains that this is an incomplete budget, and the Council must not be allowed to get away with it.

The President-in-Office of the Council referred to the commitment made by the Council to provide the funding for next year for the additional expenditure. He really cannot have it both ways. It is either a commitment, in which case it should be in the budget, or it is not a commitment, in which case Parliament's case remains correct that this is not a complete budget. The Council cannot have its cake and eat it. It is a commitment or it is not a commitment. The position adopted by the Council is simply not clear.

It is important for Members of this House, when deciding on Thursday whether or not to vote for rejection, to consider the alternative. The almost certain alternative faced by the Committee on Budgets and all of us is to repeat the first reading amendments. I have little doubt that those amendments that received 218 votes first time round would almost certainly receive those same votes the second time round. We have been told quite clearly that if those amendments were repeated, then the budget would either be unexecutable by the President of Parliament or would be unexecutable by the Commission. In either case we would have a disputed budget and we would be on to a system of twelfths anyway. I personally, therefore, have no doubt that in one way or another we are moving towards a situation where we must have the twelfths. It is obvious that a rejection is the clear way out, and a disputed budget is legally murky.

I, therefore, come to the conclusion that it is in the long-term interests of the European Community that we have a clear outcome to this budgetary procedure. That means that we as parliamentarians are required to reject this budget on Thursday.

(Applause)

Mrs Barbarella (COM). — *(IT)* Mr President, we think that, in the situation created by the decisions of the Council of Ministers, Parliament has no alternative but to reject the 1985 draft budget.

The Council has in fact refused to consider any genuine modification that would make this draft, which was presented to us in October, into a proper budget, by which I mean a budget covering 12 months' income and expenditure.

Barbarella

I think that the gravity of this fact must be denounced in no uncertain terms, and that the rejection of the budget by Parliament must mean precisely that. It is not a question, in fact, of a matter of form, of conforming to the basic financial rules — which is, of course, still very important — it is a question of substance, a question of the refusal to take into account all — I say *all* — the expenditure that follows compulsorily from the regulations in force or from decisions which have in any event already been taken.

I must say frankly that I find very surprising the line of argument taken just now by the representative of the Council, President O'Keefe for whom, moreover, I have a very great personal respect. He told us that, since there is not at present a legal basis for covering this expenditure — expenditure that is compulsory — the Council could not include it in the budget. He furthermore added — and this is the line taken by the Council, not only by President O'Keefe — that the Council would in any event be ready to take this expenditure into account, if necessary, in the months to come.

Now what he is saying in effect is that the Council, which cannot find the legal basis today, would find it — perhaps — in a few months time. The specious nature of this kind of reasoning is of course obvious, and we all well know what lies beneath it, which is the real motive behind the Council's position where the failure to include a great deal of expenditure is concerned.

For many ministers — and we have seen this very clearly during the conciliation process between the European Parliamentary delegation and the Council of Ministers — the non-inclusion of all the expenditure that is today foreseeable means, in fact, a cut in expenditure pure and simple and, it goes without saying, a cut mainly in agricultural expenditure.

I think it should be said very clearly that we do not dispute in any way the fact that there is a problem where agricultural expenditure is concerned, and that this problem should be solved as quickly as possible.

What we do not accept is that this serious problem can be dealt with and solved in this way. What we consider necessary, instead of little accounting tricks or crafty little legal loopholes, is a serious re-discussion of two precise points; namely, what should be the function of the agricultural sector in the context of the Community's economy in the '80s, and, hence, what should be the dimension of this sector, in the framework of new actions by the Community and of the political and economic recovery of Europe. For this reason we cannot accept the asphyxiated, bloodless, bruised vision of Europe that emerges from the Council's draft budget. It is the picture of a Community that would finish up with a substantially reduced common agricultural policy, and with the elimination of that nucleus of structural measures which are necessary for the

improvement of the productive apparatus of the Community; and it would be a Community in which increasingly great importance — and this is a very serious danger — would be attached to any non-Community solution such as, for example, that which was attempted in order to resolve the question of the imbalance of the British contribution to the budget.

It is in this political context that we see Parliament's rejection of the budget. It is certainly not, Mr O'Keefe, a peevish gesture by Parliament because the Council is not represented here and now at Strasbourg. I think this needs to be very clear: we are not rejecting the budget because the Council and the Ministers are not here today. And I think another point also should be made clear, which seems very surprising to me: it is not true that Parliament, or even earlier, the Committee on Budgets, did not leave doors open for a further discussion with the Council after the Brussels conciliation. The decision to reject was only taken by the Committee on Budgets yesterday evening. Parliament was still available. Otherwise I should like to know what is the meaning of this late meeting of the 3 presidents, which should take place this afternoon. I should like to be told, clearly, whether the President of the Council of Ministers is authorized to discuss a twelve-month budget. I think that his honest answer will certainly be 'No'. And so they cannot come along and say, in their airy-fairy, ambiguous way, that if Parliament had shown itself available, things might have gone differently.

I think that, the situation being as it is, we are under an obligation to reject the budget; not because — and I say this again — the Council has not come, but because the Council of Ministers has clearly and very definitely rejected all of the European Parliament's essential requests. And, in fact, it should also be emphasized that Parliament's requests were and are the indispensable minimum for the survival of the Community.

May I be allowed to make another point: I think that we cannot discuss the question of the budget without making also some reference to the question of the so-called 'budgetary discipline'. As we all know, a text was adopted at Dublin, and this text was considered unacceptable by the President of the European Parliament himself, Mr Pflimlin, at his meetings with the Council. Now, whilst obviously we are not all prepared to establish a direct 'link' between the question of the budget and the question of discipline, I think that we all ought however to be aware that the Council's two decisions — to keep its draft budget unchanged, and to adopt the budgetary discipline — still leads to the same results — that is to say, a smaller Community that is progressively deprived of all prospects for the future.

And so, by rejecting this draft budget and, more substantially, an attitude on the part of the Council that goes in the direction that I have just emphasized, we

Barbarella

denounce a situation that cannot be accepted. Parliament is playing no wrecker's game. I think that we are all of us aware in this Chamber that rejection is a difficult decision, and that this decision is one to be taken in full awareness of its consequences, and its seriousness.

We consider, therefore, that, in a situation for which responsibility lies elsewhere, it is the duty of the European Parliament to reject this draft budget for two fundamental reasons — to state clearly that the situation cannot continue as it is, and, at the same time, to leave a door open for the creation of new conditions by means of a draft budget that will meet the fundamental requirements for — I repeat — the survival and, it is to be hoped, the recovery of Europe.

(Applause from the left).

Mrs Scrivener (L). — *(FR)* Mr President, Ladies and Gentlemen, I should like first of all to thank our rapporteur, Mr Fich, for the work that he has done and the objectivity with which he presented his conclusions to the Committee on Budgets yesterday evening.

Following what has been said by previous speakers, I should like to state the position of the Liberal and Democratic Group on this fundamental issue of the budget for 1985 in the clearest possible terms.

The Liberal and Democratic Group will be voting to reject the budget, as proposed by the Committee on Budgets, for the good and simple reason that the draft presented by the Council for a second reading is unacceptable. It will give us no joy, Mr President-in-Office of the Council, to adopt this course; we were hoping right up to the last that the Council would be able to respond to our appeal and make the effort to organize conciliation in the hope that a solution might ultimately be found. At the last meeting of the Committee on Budgets held in Brussels — and I am afraid that I cannot share your opinion — we made ourselves very clear, you understood perfectly well, and you were fully aware that only the Council could organize this conciliation; as we said at the time, this was not our prerogative.

But let us be clear in our minds. In the present circumstances it would have been unrealistic to expect a perfect budget, or even a reasonably satisfactory one. Parliament was quite aware of that. But there are limits which we cannot allow to be exceeded, Mr President, and these are the limits determined by the essential principles which govern any budget, whether the Community's or a national budget, since, if these principles are not adhered to, what one has is not a proper budget but rather a charade which brings no credit on those associated with it. We are not prepared to be associated with this one. A budget for ten months, with or without square brackets, is not a budget. Nor is it a budget when 10% of the total is set to one side.

We shall not give our agreement to such a document. The Community must be in a very shaky state if Parliament is now making a rejection issue of the failure to take account of the full amount of agricultural expenditure. History does sometimes give a hint, even to Members of the European Parliament.

Mr President, Parliament cannot allow the only real common policy to be mangled, but nor can it countenance the abandonment of other rules which are essential if the Member States are to get on together. For the sake of solidarity we accept the provision by the Community of short-term aid to a Member State, on an exceptional basis. Hence Parliament's agreement, in recent years, to additional expenditure in favour of the United Kingdom and the Federal Republic of Germany. On the other hand, it would be extremely dangerous if we now agreed, again for the sake of solidarity, to a declining scale in the payments made by certain Member States. This would be an assault on the European idea itself, it would be almost as though we had decided to break up the Community. We see Fontainebleau as having raised false hopes; we must not allow it to become the starting-point of the disintegration of Europe as well. So let us hear no more about the conclusions of the Fontainebleau summit being the new bible from which we must all take our lead, let no-one count on this institution to join the wreckers.

Under the present circumstances, I would describe rejection of the budget as a healthy measure. It should create conditions under which the seriousness of the present crisis can be borne in upon all concerned over the coming months. This is what we can hope will come out of efforts to find solutions. Thus, this rejection will be anything but a negative decision; on the contrary, it will be a rational choice made by a responsible institution, and that institution is the European Parliament.

Mr President, the most important part of our task has assuredly yet to come, after we have rejected this draft budget. The Commission and the Council will be bringing a new text before us in a few months, and there can be no question of our then approving what we shall have rejected on Thursday. Were we to do so, we would probably destroy the reputation of this House for evermore. Today we must therefore make a commitment that under no circumstances shall we flinch in what may fairly be described as a battle for the survival of the Community. No-one must be in any doubt that the essential principles which we are defending today will be defended just as energetically over the coming months. We in the Liberal and Democratic Group accept that commitment.

Mr President, before concluding I should like to mention that we considered that there could be no question of going ahead with this rejection without knowing what impact it would have on food aid, bearing in mind the tragic situation in the Sahel countries. It

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transpires that the Commission will be able to draw several provisional twelfths at the beginning of 1985, so that the lack of a budget will have no repercussions on this sector. This was an essential consideration.

May I just add by way of conclusion that, should the vote unfortunately go against the motion for a resolution, we in the Liberal and Democratic Group are convinced that Parliament should not take the risky course of trying to make amendments to a draft budget which is impossible to amend. We must leave the Council to take full responsibility for the consequences of such a budget. Adding a few appropriations here and there would be a futile exercise when we had no chance to change the essentials, those very aspects of this budget which have attracted this motion for a resolution rejecting it. If the vote for rejection falls short of the necessary qualified majority, therefore, the Liberal and Democratic Group will vote against each and every amendment tabled. However, the question is unlikely to arise, Mr President, since the political groups have been declaring themselves unanimously in favour of rejection of this budget.

(Applause from the Liberal and Democratic Group)

IN THE CHAIR: MR LALOR*Vice-President*

Mr Pasty (RDE). — *(FR)* Mr President, Ladies and Gentlemen, with the second reading of the draft budget of the Community for 1985, we approach the final act of what has been a shadow play throughout. It is quite obvious that this bad play requires adaptation, so that it can be acted out with full lighting next time.

The Council of Ministers has stood its ground, showing no sign of wishing to respond to Parliament's message to it, if not actually pretending not to understand it. And yet, this message has been made absolutely plain, both by Parliament's vote on the first reading and in the representations made by its delegation during the budgetary conciliation meeting.

The crux of the problem is the Council's failure to respond to Parliament's desire to vote on a proper budget, a balanced budget covering both the revenue and expenditure sides of all the Community's commitments for the coming year. The Committee on Budgets expressed this wish in a unanimous vote. This is no longer a simple matter of adhering to a principle of budgetary law — annuality — but a fundamental political issue: the ability of the Community to honour its commitments, its commitments to the farmers in particular. What credence can be attached to a policy when there is no guarantee that it can be financed for a full

year? The unfortunate experience of the year now ending is there to remind us. The system of advances from Member States to make up shortfalls in own resources is a bad system. It is conducive to haggling and ulterior motives, it means that the Community has to go cap in hand, dependent on how generous or otherwise its various members are feeling, and its policies are suffering as a result.

The Community has now run out of cash. Its accounts will soon be in the red because a single Member State has paid its contribution, while the representative of another is persisting in disputing the need for these payments. This being the case, what value can be attached to the Council's promise to Parliament of a supplementary budget for 1985 when it is obvious that the Member States are not in agreement on either the nature or the amount of the new resources to be made available?

The Council felt that it was offering Parliament a compromise with the inclusion, in square brackets, of an extra 1 315 million ECU for the EAGGF Guarantee Section. In fact, however, as is made clear by the commentary accompanying this entry, this promise of funding is contingent upon the creation of new resources, but it is precisely the Council's inability to agree on these new resources that has been the problem these several months past.

When we know that a number of those Member States which have the greatest responsibilities in the Community do not wish to pay, how can Parliament settle for a promise made with so little to back it up? The truth is there for all to see. At a time when own resources are exhausted, certain Member States are refusing to pay, to create the new revenues that are required. The lack of a legal basis pleaded by the Council is just a pretext, a false pretext, a poor excuse. What is lacking is not the legal basis, but the political will to find a way out of this perennial financial crisis. The Council is in fact under an obligation to create the necessary legal basis. There is nothing, apart from its lack of a clearly affirmed political will, to prevent the Council introducing an intermediate rate of VAT between the present 1 % and the 1.4 % which is to be applied from 1 January 1986, or alternatively bringing forward the date. This would be all the easier in that no start has yet been made in the procedures for ratification of the new VAT ceiling by the national parliaments. By declining to take the necessary action, the Council brings upon itself full responsibility for the crisis in prospect. This is no longer an inter-institutional crisis between the Council and Parliament over Parliament's margin of manoeuvre or about the classification of expenditure. It is a much more deeply rooted crisis, affecting the life of the whole Community and its future. How can one possibly think in terms of ambitious policies for the Community when its finances are kept in a permanently precarious state?

This situation is all the more unacceptable when at the same time it is intended to precipitate enlargement of

Pasty

the Community to include Spain and Portugal, which will bring fresh financial difficulties on top of those we are already experiencing, at a time when the budgetary foundations of the existing Community are shakier and more unreliable than they have ever been. Have rashness and irresponsibility become the order of the day at meetings of the European Council, from Stuttgart to Dublin, by way of Fontainebleau?

With the Council's present intransigence, we no longer even have the choice between adoption or rejection of the budget, the real option being between, on the one hand, a permanent crisis which some people want to cover up by pressing on regardless in this dangerous way and, on the other, a short, sharp crisis which will burst the boil and at last enable the existing Community of Ten to make a fresh start on a sound footing.

It is not by offering a few gimmicks, such as the European passport, which salve the consciences of their proposers, who are able to claim that they are advancing the cause of citizens' Europe, that our peoples will be won over to the Community, but by giving the Community the means with which to pursue a real agricultural policy and a real industrial policy, and to combat unemployment effectively.

Nor is the current crisis an institutional crisis, as some people are claiming in their attempts to breathe fresh life into the European Union idea. It is a crisis stemming from the weakening of commitment to the Community and the fresh outbreak of national self-interest. New institutional rules will have no effect on this.

Our vote on the budget this year has far more than purely budgetary implications. It is an eminently political vote, in which Parliament must make a clear affirmation of a certain conception of the Community's future.

The Group of the European Democratic Alliance, for its part, considers that the time has come to arrest the continuing decline in *communautaire* spirit. It will accordingly not be voting for the draft budget for 1985, which guarantees finance for the CAP for only ten months and in so doing merely gives expression to this decline in *communautaire* spirit which we find unacceptable. Only a strong resurgence in this spirit will bring the Community out of its present crisis. With the Council showing no signs of movement and a new Commission about to be installed, it falls to Parliament to trigger such a salutary resurgence by rejecting any mediocre compromise that might be proposed to it.

(Applause from the Group of the European Democratic Alliance)

Mr Bonde (ARC). — *(DA)* Mr President, the Danish People's Movement against Membership of the Euro-

pean Community does not want any part in the rejection of the budget, and we shall therefore abstain in the vote on the Fich report on Thursday. The report sets the scene for a new power struggle with the representatives of the Member States in the Council of Ministers on a wide range of issues. That is of course not stated in the report, but it is the attitude of the Committee on Budgets, and it was also in the previous report.

To begin with, it exceeds the VAT ceiling, it wants Parliament to exceed its margin of manoeuvre, it wants to change the classifications, to introduce new remarks in order to legislate by way of the budget, to introduce loan transactions and to transfer the development fund to the budget, it wants to extend Community cooperation to new areas which are not covered by the Treaties, and finally it wants to amend the revenue side of the budget so that it can start to levy taxes. This is, as has been rightly stated by the Council of Ministers, illegal, but it is all these demands for power which Parliament is now being asked to support through a budget rejection which has been wrapped up in fine words to the effect that a year has twelve months. The Fich report lacks the solid grounds on which, according to the Treaties, the budget can be rejected. It is not that the Committee on Budgets does not have those solid grounds; the fact is that, once the report began to develop concrete arguments, it would undermine the necessary majority of 218 votes. If it had said something about more money for agriculture, as had been the intention at first, the British members would have dissociated themselves from the rejection resolution. If it had said that too much money was going to agriculture, others would have dissociated themselves. It has said nothing whatsoever in order to secure the 218 votes, but the consequence may nevertheless be very serious for the farmers who are dependent on the common agricultural arrangements, not just in the months during which there will be no budget but also for many years to come. According to the proposal for budgetary discipline, the ceiling for agricultural expenditure will be set on the basis of the average utilization of appropriations for agriculture in 1984 and 1985 and, if the indicators are cut back, all future increases will be affected. Rejection of the budget therefore, unless it is quickly replaced by a new budget, will become a time bomb under the common agricultural policy. That is what some people in this Assembly want, but it is incomprehensible for the supporters of the common agricultural policy to join in rejecting the budget and hence in planting that bomb under the common agricultural policy.

We in the People's Movement are not particularly keen on the common agricultural policy, with its stockpiles of surpluses and direct destruction of food. But the agricultural policy must not be changed as the random result of a power struggle between the Council of Ministers and Parliament. The agricultural regulatory system must be changed in the proper manner,

Bonde

by new legislation enacted by the Council of Ministers.

Mr Dimitriadis (DR). — (GR) Mr President, colleagues, we believe that in the first place every budget expresses a political will together with the orientations which determine that will. As far as the Community is concerned we believe that its budget should be seen as the instrument for progress in Europe in sectors where it is particularly weak and which are of decisive importance for its future. It should also be the instrument for bringing the citizens of Europe closer to the peoples of the rest of the world.

For these reasons the Community budget should set out a clear policy with concrete and ambitious objectives. We note, first of all, that the 1985 budget breaches the basic rules of public economy. By producing a budget for ten months the Council has disregarded the principle of annuality. Also breached, with the exclusion of the European Development Fund, of the ECSC and of Community borrowing and lending, is the principle of universality. To these breaches of the budgetary rules one should add the monetary constraints which are preventing the Community from engendering steady development in sectors which are crucial to its future and from successfully implementing the various common policy procedures. With a budget which limits resources to 1% of value-added tax how is it possible to ensure equitable and satisfactory payments for farmers, prepare for enlargement of the Community, develop new Community activities and make a proper response to the demands for a campaign of food aid in Africa? There is a need for greater generosity towards countries afflicted by hunger. When one has a desire to do something one must also have the wherewithal with which to do it. At this time the Community is riven by institutional wrangling and factional strife which are seriously damaging its credibility.

Finally, looking at the budget from a political angle we can see that it is a budget of recession which offers nothing in the way of medium-term or long-term solutions. Everyone is secretly hoping that financial stringency will curb expenditure on agriculture, and so allow other policies to be developed, without, however, wishing to accept responsibility for it. But who can maintain that the agriculture objectives envisaged in the Treaty of Rome, such as increased productivity, decent incomes for farmers, stabilization of the markets and smooth market supply at prices the consumers can afford, have actually been achieved? Lastly, the budget makes sharp cutbacks in the research, energy and industry sectors which are the Community's hope for the future, and European industry will pay dearly for this. In other words, we are sacrificing the future for the sake of the present. We are letting others pave the way towards the twenty-first century while we are slow to plan the future of Europe.

For these reasons, Mr President, the Group of the European Right will not be voting for the draft budget.

Mr Pitt (S). — Mr President, in my view a budget debate, even the second reading of a budget, is still an occasion for a political discussion and not an occasion for a legal debate between the Members of this Parliament. I feel somewhat uncomfortable about being on Thursday in a majority, I confidently expect, who will vote to reject the budget when I am fully aware that the reasons for many people voting in that same direction will be totally at odds with my own reasons. So maybe it will help if I am consistent and state again the reasons why I find this budget quite unacceptable.

Parliament will vote as a Parliament, I believe, to reject the budget. I will vote as a Socialist to reject it because Socialism is about equality or it is about nothing. Socialism is about equality and equality is about political and social priorities. So let us go back to the basis and the basics on which this budget has been prepared. The reality — and I apologize for repeating this — of the Community in which we live which our Member States created is that we have less than 10% of our people involved in agriculture, more than 60% involved in manufacturing industry, and 12% unemployed and yet we still have a budget, in spite of all of the changes that have been made, in which two-thirds of its total amount is to be spent on less than the 10% of our people engaged in agriculture. This really is not acceptable to me as a Socialist and I would suggest it should not be acceptable to any Parliament which has any broad social concern for the totality of the people that it supposedly represents.

Now the Council draft, the Commission draft, Parliament's amendments really amount to more or less the same thing. There is not a 5% margin between the three budgets that we have gone through in this Parliament so far. But in all of them, in Parliament's amendments too, we are proposing a roughly 10% increase in CAP expenditure next year, a roughly 1% increase in regional and transport spending a 4% increase in social spending and about 5% for development and cooperation. What this means is that once again we have a real increase in agricultural expenditure in spite of the fact that two-thirds of our budget goes there already and it means that after inflation we have an actual cut in the expenditures that concern us in the social field and in the regional and industrial sectors. That is not a budget that is acceptable to me as a Socialist and I would have thought it is not acceptable either to a Parliament with social concern.

I want to reflect just for a moment on what happens if we do reject the budget. Of course we go over to a system of twelfths. But we go over to a system of twelfths in which agricultural expenditure is compulsory. That compulsory expenditure will not stop and the growth of the CAP will not stop until we have a

legal basis, a new legal basis, for budgetary discipline. I think we must get that clear. Until we have a legal basis to control runaway agricultural expenditure we shall continue with a situation where the avarice of the farming community is contributing to the destruction of our industrial sectors in every country of this Community.

So if we go to a system of twelfths, I ask myself what are the political consequences. I put to you a thesis for your consideration; it may not be one you will accept. From my point of view, if Parliament is blamed for aid not going to Ethiopia, for social expenditure being trimmed and for regional funds being trimmed back even further, I put it to you that our development budget is only £ 500 million for 10 countries anyway, which is a rather small amount. Our total Social Fund is only £ 900 million and our total Regional and Transport Fund is only £ 1 billion. So it is possible — I do not ask you to agree but I ask you to understand my point — that I will be able to show to the people I represent far more clearly under a system of twelfths that these non-compulsory funds are a cloak of attempted respectability to disguise an agricultural mechanism which is unacceptable. Hopefully, each month, as the twelfths come forward and are demanded, the people of the Member States will see very clearly 12 times a year, not once a year exactly how much this agricultural mechanism is costing them. For these reasons — the cosmetic nature of the non-obligatory expenditure and the fact that that might be brought home more fully to the people who elect us — I do not fear going to a system of twelfths.

Let me conclude, Mr President, by saying again, that to me rejection is not a technical or a legal matter, nor is it an act of sadness. To me it brings the possibility of there being light at the end of the tunnel. It brings the possibility of bringing home to the electors of the Member States just how distorted our budget has always been since the foundation of the Community and it brings the hope that people will in consequence realize just how much of their money is being wasted on an absolutely out-of-date agricultural mechanism when that money could be used to address the real problems of the European countries at this moment.

I have confidence in the people of Europe and believe they could actually next year under a system of twelfths see the reality of the European Community budget for what it is and demand the changes that some Member States in the Council are moving towards. My rejection is based on those political grounds, but also on the hope and the confidence that those people will then demand that we create a system of cooperation between the Member States whereby we address the political priorities of unemployment, jobs, social need, economic growth, Europe going forward towards a stronger economy in harmony and not being constantly distracted by an agricultural system which is 30 years out of date, which is what the common market today unfortunately still has.

Mr Christodoulou (PPE). — (GR) Mr President, the draft budget presented a few days ago for second reading is virtually unchanged from the one we debated last month because, apart from a few minor concessions, the Council has rejected the main demands made by this House, something we have grown accustomed to in recent years.

As all those who have spoken have pointed out, the fact of the matter is the budget the Council is asking us to accept only covers expenditure for 10 months, and the Council itself admits this because by way of a reminder at its last meeting it inserted 1 315 million ECUs in brackets in Article 901 as 'other revenue' with a footnote, indicative of ineptitude on its part if not of laggardliness, that it should commence the search for a way of making up the shortfall in the 1985 budget as of now. The Council is giving us a promise and asking us to make do with that. The promise is to be found in a note under Article 9. A careful scrutiny of this shows that the problem of how the shortfall is to be made up, the danger of real appropriations in the follow-up budget — not the supplementary one — which will be needed in 1985 being underestimated and the prospects of false accounting through the postponement of payment and commitment appropriations, or through transfers over to the following year, are all still there.

Parliament has no choice other than to reject the 1985 budget. This will not solve the problem, of course, and while not facing the new Commission with accomplished facts it will put it in a difficult position. But it is the only logical thing to do given the Council's negative stance and its complete lack of willingness to show flexibility. This is why, moreover, it cancelled tomorrow's planned meeting of the Budgetary Council, because it had nothing to offer towards a solution of the problem, nor any wish for one. It has been said time after time in the Committee on Budget's discussions that if we were to accept the budget as it is there would be nothing to stop us having a budget for 7 months in 1986 and for 5 months in 1987, and so on, until finally all the revenues would be in brackets and that would be the end of it.

The aim is not to create difficulties, nor to reject the budget in order to highlight the European Parliament's sphere of authority, or even its power. Witness to this are the efforts that have been made to find some sort of solution. I am thinking in particular of the proposals to place a clear legal commitment on the Council in respect of revenues. If these had been accepted we would have avoided the geometrical exercise of having sums in brackets and we would have a proper budget and not something which is in essence an adding up of totals and a declaration of good intent. I hope Mr O'Keeffe will forgive me but I do not think the Council was prevented from taking the right decisions by legal considerations. It has shown us before that when necessary, and when it so desires, it can go about matters in a much more innovative way.

Christodoulou

Basically, therefore, the motion for rejection of the budget is an attempt to get us back to a sane and proper framework for aiding the development of the Community and strengthening the regional policies, the new policies and the development programmes, in short to a creative budget instead of a document full of sharp little tricks.

The Community's economic affairs are a serious matter and it is not permissible for us to treat them so lightly, like a mere exercise in accountancy. Therefore the budget must be rejected and, as the chairman of the Committee on Budgets has said, we must take a firm stand and be resolute. Only this will press home the underlying and genuine reasons for the rejection and allow us to have hope that what has happened this year will not be repeated every year and that ultimately the Community will be able to get on with fulfilling the aspirations of the peoples of Europe.

Mrs Oppenheim (ED). — *(DA)* Mr President, having heard the report of the Council today, I must confess I am rather surprised. For now we are suddenly told that the reason why the Council is not in Strasbourg today is that it did not receive an invitation to a conciliation meeting. But I am not aware of any rule which states that Parliament or the Committee on Budgets must send invitations to the Council. I might be tempted to ask the President of Parliament or the chairman of the Committee on Budgets whether we are in any way at fault in this affair. Are we to blame that no meeting has taken place? Even so, we do not vote on the report of the Committee on Budgets until Thursday, and there is still time to sit down at the negotiating table. I realize that there is not very much time, but anything can be done if the will is there, and I must appeal — as many others have done — for a meeting to be called at which some attempt should nevertheless be made to reach agreement on certain matters, so that these persistent budget crises can be avoided. I also noted that the Council representative at the end of his speech was moved to thump the table and say 'we must have a budget for 1985!' Let us see some results from this decisive attitude.

The Commission has appealed for a compromise. And the Commission has also complained that there is a lack of will to cooperate between the Community institutions. We can only agree on that. But who is it that refuses to negotiate? Who is it that wants a fight? I cannot see that the European Parliament is to be criticized for anything in this connection. It is the Council which, for what real reason we do not know, has refused to negotiate with Parliament.

Soon after I became a member of Parliament, we began discussing the budget, and we got into a dispute over the budget. It is deplorable. For we should not forget who stands to suffer from the budget dispute. It is the citizens of Europe who will be the fall guy in the failure of the two institutions to sort things out

between them. And it cannot come as any surprise to the Council that the European Parliament, to which it has itself given a measure of budgetary power, should also seek to exercise that power. Not as a show of strength or as a means of demonstrating what we want done, but because we want to share in the responsibility for producing a realistic budget which — as has already been pointed out several times — covers not just part of the year but the whole year. It is an untenable situation, and the Council must also realize that in certain circumstances — if the budget is rejected — we shall be forcing the Community to exist from month to month. It is an untenable situation. And at a time when many critical voices are raised against the European Community, it is even more embarrassing that we cannot agree on certain things and that we continue to have budget crises. We cannot expect the individual Member State and the individual Community citizen to show good will and perhaps make sacrifices in a common cause, when the Community institutions themselves cannot even manage to do so. And, seen in these terms, there is not much more to be done, if we cannot think of a better way forward. We must say 'thank you' to the Council, for in reality the Council has made it so easy for Parliament to reach its decision, which is in any case serious enough. If the Council had not adopted this attitude, it might have been more difficult for the European Parliament. But we can vote with a clear conscience.

Mr Chambeiron (COM). — *(FR)* Mr President, as many speakers have pointed out, the Council has been unwilling to heed the warning that it got from the European Parliament at the time of the first reading of the budget.

While it cannot be denied that the Council has taken a few tentative steps towards Parliament's position, this has been no more than a purely formal move the main object of which, as very quickly became clear, has been to head off opposition.

We for our part are unconvinced by the Council and, to judge from the words of many previous speakers, we are not alone.

In agreeing to a scattering of additional appropriations for the structural funds, the Council had no great effort to make, since it has remained within the limits that it itself set, without taking account of Parliament's opinion. But that is not the most important aspect.

The worst of it is that the Council has refused to make a clear commitment to a proper budget covering twelve months, with the inclusion of advances on own resources to make good the predictable budget deficit. It has admittedly acknowledged that the resources would not be enough to cover the full year's expenditure, but it has declined to act on this by making the necessary provision in the budget.

Chambeiron

The danger to which I drew attention at the time of the first reading has not been removed, and during the conciliation meeting a number of Member States made no secret of the fact that they did indeed intend to take advantage of this situation in order to put pressure on agricultural expenditure throughout 1985 and in particular to exert downward pressure on farm prices.

The reality of this threat was heightened by the European Council meeting in Dublin, which, without even involving the European Parliament, maintained the full rigour of the principles of budgetary discipline, which is emerging as a formidable weapon against agriculture.

The French Communist Members are not prepared to see the farmers being used as hostages again in the budget procedure, as they were this year at the time of the vote on the supplementary budget.

It is therefore primarily in order to ensure that the farmers are not penalized yet again and to put a halt to the policy of dismantling agriculture that we shall be voting to reject the draft budget.

This is our basis reason, but it is not the only one. Our decision is based on other considerations as well. The Council is perpetuating the budget rebates to the United Kingdom and the Federal Republic of Germany, and moreover is keeping them on the revenue side, thus depriving Parliament of all possibility of exercising control. In my opinion, the British Prime Minister is really receiving preferential treatment.

Despite the deterioration in the world food situation, the Council has refused to restore the full amount of the appropriations to provide food aid and combat hunger in the world. In Turkey the jails are being filled with political prisoners, and there are more and more executions. But the Council, which is so ready to proclaim the defence of human rights, rejects Parliament's amendments and keeps the appropriations for special aid and the fourth financial protocol in the budget.

In voting to reject the budget, we mean to expose what is hidden behind the facade of figures, to show up a certain approach to the construction of Europe for what it is. In fact, when I say construction, this is a euphemism: demolition would be a better word. As we have seen in both Dublin and Fontainebleau, quotas are becoming the basis of Community rules. We have seen this with steel, with milk, and now with wine. When is this Europe of the pickaxe and chain-saw going to end?

Our decision to reject the budget has the merit of being perfectly clear on the political plane. We believe that the time has come to sound the alarm and issue a solemn warning to the Council.

The French Communists and Allies, for their part, are ready to do this.

Mr De Vries (L). — (NL) By rejecting the draft 1985 budget, we shall not only be expressing an opinion on this budget. Our opinion is clear enough. We have always made it clear that we are opposed to a budget which covers only ten months, takes no account of current agricultural commitments, does not include the compensation formally to be paid to Britain and Germany on the expenditure side and offers no scope for a new policy. Nor has the Council been willing to include in the budget the European Development Fund, borrowing and lending activities or revenue from the superlevy on milk in 1985, as Parliament has requested time and again.

By rejecting the budget, Mr President, we shall above all be expressing an opinion on the present situation in the Community, a Community in which no more decisions are taken, except decisions to postpone decisions, a Community in which decisions taken by the European Council are not implemented by the various Councils of Ministers and in which one Council, the Budget Council, is doing its utmost to gain control over another, the Council of Agriculture Ministers, a Community in which the Council can only agree on budgetary and other matters at the expense of Parliament's powers.

It is not only in content that the 1985 budget is no good. The procedure that has been followed is equally unacceptable. The Council has made a travesty of the budgetary consultations with Parliament. If consultations are to be worthwhile, there must be willingness to compromise, and the Council is unwilling to compromise. The same disdain for Parliament is evident from the document on budgetary discipline that was adopted in Dublin. In terms of both its content and the manner in which it was adopted, this document also demonstrates the Council's blatant refusal to respect Parliament's rights and opinions. It too demonstrates the Council's unwillingness to see Parliament as a partner in the construction of Europe.

It is therefore hardly surprising that Parliament should refuse to help to destroy Europe. Either an elected democratic body is taken seriously, or it must be abolished. There is no middle course. A directly elected parliament does not allow itself to be ignored. The governments that rightly show concern about democracy in such countries as Nicaragua, South Africa and Poland must realize how hollow their words sound if they are not prepared to put into practice in the European Community what they consider desirable elsewhere.

Mr President, the crisis in Europe, the most serious since de Gaulle's empty chair policy in 1965, cannot be covered up, as the Council is asking us to do by adopting the 1985 budget. Nor can this crisis be resolved

De Vries

without the European Parliament. The erosion of the Community will only be checked if the Commission, the Council and Parliament join forces. Our citizens have a right to expect this of us.

Mr MacSharry (RDE). — Mr President, it is sad at this stage to note that neither the Council nor the Commission have any of their representatives present listening to this section of the second reading of the budget. I think, Mr President, you should take note of that.

During its first reading last month, I condemned the Council's draft budget for 1985. My condemnation was based on a number of shortcomings in the draft and in particular the fact that it only covered a period of 9 to 10 months. I referred to it then as disgraceful financial planning. Today, Mr President, I would like to reiterate this criticism in the strongest possible terms.

The consultation was totally negative — the consequence, of course, of the Council's intransigence. While people in these institutions may comprehend the tactics employed by some member governments, the general public does not understand the reasons for the institutional differences, and it is becoming abundantly clear that they have no confidence in the future of the Community. The blame for this state of affairs lies squarely on the shoulders of the Council. The time for child's play is over if there is to be an economic community of any significance in five years' time.

Now is the time for the President-in-Office of the Council and the entire Council of Ministers to take the action necessary to restore to the people some confidence in the future of Europe. This can be done by providing the finance and, in particular, the 1 350 m ECU needed for agricultural spending. If this were done, I am convinced that this Parliament would support the 1985 budget. If not, it has no alternative but to reject it.

The shortfall in agricultural expenditure of 1 350 m ECU in the 1985 draft budget, as presented by the Council, still remains. There is a deliberate attempt on the part of the Council to hoodwink this Parliament by putting a figure of 1 350 m ECU in brackets. Do they really think we are foolish enough to accept what is in reality a fictitious entry? Could it be that this attempt at subterfuge is nothing more than a first step to further unacceptable cuts in farm spending?

There is still no provision in the 1985 draft budget for farm-price increases in the 1985-86 marketing year. There is nothing like enough for a coherent programme of destocking existing surpluses which we are all concerned about and the entire Community is concerned about. It is vital that there be 1.3 billion ECU in the EAGGF (Guarantee Section), Chapter 29, thereby providing the finance necessary to cover expenditure

in the guarantee section for the full 12 months of 1985.

The political commitment to do this is not enough, which means in effect that there is no budget from the Council for the full 12 months of 1985. The consequences for the Common Agricultural Policy if this proposed budget were adopted would be nothing less than a massacre for the 8 million people employed in agriculture in this Community. The very foundation of Europe would be uprooted. It would pave the way for another triumphant march of nationalism over Europeanism. Indeed, these consequences would extend not only to farming but to the 35% of the people who outside farming are dependent on agriculture in the processing industry.

It should be borne in mind, Mr President, that the funds disbursed by the EAGGF help to sustain the investment capacity of the agricultural sector and thereby assist all the European economic sectors, whether upstream such as the farm machinery industry or downstream such as the agrifoodstuffs industry.

The confidence of European farmers has been badly shaken. With all the adverse decisions affecting the CAP which have been taken in recent years and the continuing threat of budgetary discipline hanging over them, the farmers of our Community are no longer in a position to plan ahead. This Parliament must make its contribution to the restoration of much-needed confidence to the agricultural community. We must develop an assertive pride in our agricultural heritage in this Community. If we do not, the nationalism of a few will have disastrous effects on the Europe of the future.

I would counsel caution with regard to the whole question of surpluses, where it is true to say that at the moment there are structural surpluses in certain products. We shall have to be careful for the future. Europe's role is not limited to the boundaries of the 10 Member States. Not only are we a major trading partner on the world market, we also have an obligation to the starving millions of the world. How many more tragedies like Ethiopia and other Sahel regions do we need to bring this message home?

If we continue seriously undermining the confidence and the morale of our farmers, we may well find ourselves in the years ahead unable to meet these commitments. We have an obligation, first, to show our solidarity to the farming community and restore their lost confidence and, secondly, to demonstrate that we are genuinely serious about tackling the problem caused by structural surpluses.

The President-in-Office of the Council, Mr O'Keefe, said in his address this morning. 'We must have a budget for 1985 and we must have it now'. It is not to the European Parliament he should say this, but to his colleagues in the Council. He has failed there, but let

MacSharry

him not try to whitewash his and the Council's inability to overcome the child's play tactics that have been used in recent times but realistically face the problems! Even at this late stage, I appeal to the Council, in the interests of Europe, to have the political will and courage to make the necessary alterations so that their disastrous draft will in effect become an annual budget.

In conclusion, Mr President, at this point there is no real budget for 1985. There are no guarantees for Community farmers, not to mention other sectors. Not in the Social and Regional Funds, food aid, or anything else is there anything at all that gives any reassurance prior to enlargement of the Community to Spain and Portugal. And I, Mr President, shall be voting against this budget.

Mr Collinot (DR). — (FR) Mr President, I do not propose to dwell on the motives for rejecting the budget, which have been discussed at sufficient length by earlier speakers. Instead I shall be considering the consequences to which this rejection will lead.

The first point to be noted is that the system of provisional twelfths will reduce the Community's financial capacity by 4 billion ECU. As a result, the appropriations for the EAGGF Guarantee Section will be 16 billion ECU, instead of the 18 billion for which the Council has made provision. Similarly, cooperation and development aid will be cut from almost 1 billion to 700 million ECU.

The crisis brought on by the Council will severely damage the interests of farmers, who already face the milk and wine quotas decided upon in Dublin and will now be the losers in this most recent institutional wrangle. The peoples of the Sahel countries and Ethiopia will also suffer — tragically — as a result of the Council's indecision.

How can the Council talk of a balanced budget when it is going to be necessary in the course of 1985 to vote a supplementary budget of almost 5 billion ECU, vastly greater than the one for 1984? In addition to making good the underprovision for the EAGGF Guarantee Section, it will have to cover the compensation to the United Kingdom, the shortfall in VAT revenues, and the new agricultural prices for 1985/1986.

In the circumstances, Mr President, we maintain that, if the European Community was to be saved, it was necessary for Members of this Parliament to face up to their responsibilities, so that we could then make a fresh start on a sounder basis. Come what may, the Community must maintain its unity within and its solidarity in relations with the rest of the world. We in the Group of the European Right maintain that only compliance with the Treaty and serious conciliation between the branches of the budgetary authority can bring new confidence in the future of Europe.

Mr Papoutsis (S). — (GR) Mr President, at the first reading of the budget the European Parliament came face to face with its responsibilities. We had to make a united response to the problems of today with an early endorsement of the Community's budget for 1985. At the same time, however, we had to take account of the major problems of tomorrow in the building of a Europe equipped to meet its people's needs.

I would not say we came up with a bold solution, one that would match up entirely with our expectations. However, we did manage to express our opposition to the way Europe is at a standstill. We increased commitment appropriations and drafted a budget which was realistic and for the whole of 1985 and not just a revenue and expenditure sheet for ten months.

Our role at this sitting today is even more crucial, even more important. We know now that the Council has effectively declined to put forward a real budget. We know now that when the Council listened to what we had to say on the equally definitive matter of financial stringency it did so simply out of politeness. We know now, and we can be sure about this, that our rights and also the role of the European Parliament are finally being repudiated.

Mr President, the challenges and problems facing the Community today are well-known. Our policy choices for tackling them are also well-known. But along with hope for the success of these policies there is also a high degree of anxiety about the possibility of failure. A failure which would have the most grave, if not irreparable, consequences for Europe's future. Will the new policies become a real instrument for technological reconstruction or will we just have a showcase policy which will widen the gap between our technology and the technologies of the United States and Japan? Will enlargement be a step towards European integration or will it make the divisions between the peoples more acute and add yet another problem? Will the regional policy be a vehicle for integrated structural changes or will it degenerate into a gesture of charity and an instrument for keeping up certain pretensions? Will our dealings with the Third World contribute to its economic growth, to the strengthening of peace and international cooperation, or will they do irreparable harm to our credibility and ability to negotiate any policy of cooperation in the future?

The Council has given its answer to these vital questions in the shape of the budget it has recommended to us and the financial stringency which goes with it. It is an answer which offers the worst possible outlook for Europe and its peoples because it clearly leads down the road to stagnation, constraints and, in the long run, decline. It is our duty today to safeguard the future of Europe as regards democracy and development. To this end we have an obligation to give expression to our political will yet again by rejecting the budget.

Papoutsis

Mr President, I would also like to say a few things about specific matters which are of direct interest to the Greek people. Parliament and the Commission accepted the Greek memorandum drawing attention to the particular problems of our country and the main response of the Community to the need to tackle our problems and put our economy on a firm footing has been adoption of the Mediterranean programmes and the decision to contribute to the Greek five-year development programme.

Everyone knows that the ability of the less-developed areas of the Community like Greece to make a go of it with the developed countries is directly related to the implementation of the structural policies. The economic growth of the Community, and likewise its cohesion, depend directly on the convergence of the economies that these things add up to. All the Community institutions agree on this. It is demonstrably clear today that the social policy, the regional policy and all of the structural policies have definitive social priority. A priority which must be pursued with measures of substance and not with wishful thinking offering the prospect, in practice, of constraint and under-development. Because the increase in commitment appropriations for the structural funds proposed by the Council opens up only the prospect of constraint and under-development. Because the approach so far to the Mediterranean programmes offers only the prospect of constraint and under-development, and these are only a couple of indications of the attitude that has prevailed in the Council.

The 1985 budget is a token of the Community's failure to get to grips with the real problems of the peoples of Europe with care and decisiveness at a time when Europe is facing historic challenges. It is yet another indication of the need which becomes more obvious every day for us to develop a new realistic policy and to lay the foundations for the Europe of the future, a Europe of democracy, development and social justice.

Mr President, on the basis of these reflections and expressing the view of the Greek Socialist Members as well as the anxieties and aspirations of all the Greek people, we shall vote against the 1985 budget.

IN THE CHAIR: LADY ELLES

Vice-President

Mr Pfennig (PPE). — (DE) Madam President, ladies and gentlemen. I know that certain members of the Council of Ministers will not be unhappy if the European Parliament rejects the Community budget for 1985. Nevertheless I cannot recommend that this budget be approved. I cannot do this — and my group in company with other groups will reject it — for the

simple reason that the problems revealed in our first budget discussions with the Council have persisted unchanged.

These problems largely concern three areas, which President O'Keefe has already talked about this morning. Firstly, it has long been known that the Community's 1985 income would not be enough to meet all its expenditure, so that as in 1984 the Member States would have to pay advances. The Council of Ministers has acknowledged this in its budget decisions. Despite this it is not prepared, at least for the moment, to provide for any additional funds over and above the Community's own resources but proposes to draw up a short, ten-month budget to be followed in autumn 1985 by a budget to cover the remaining months of the year. This procedure is an infringement of the Community's Financial Regulation and would also be unacceptable in any of the national parliaments. We, therefore, stand by our call for a budget covering all twelve months of the year. But since the Council will not accept this the whole budget will be thrown out. The Council will bear full responsibility for this, for it has known perfectly well that the Community would need additional funding from the individual Member States over and above its own resources for 1985.

The second reason for the unacceptability of the budget procedure overall is as follows, and a number of speakers have already touched on it. In recent years compulsory expenditure has consistently increased as a result of Council decisions, particularly in the agricultural sector, and this has caused the finance ministers meeting in the Council to call for decisions imposing budgetary discipline. The formula which the Council has now come up with proposes that once farm price decisions are agreed on the Council of Finance Ministers should draw up a budget to be discussed beforehand with the European Parliament. In my view this formula is not acceptable. Anyone can discuss, but decisions need to be taken jointly by both arms of the budgetary authority — Parliament and Council. If the Council is unable to agree jointly with the European Parliament on the question of budgetary discipline then we, the European Parliament, shall make use of the very same formula which the Council of Ministers has set for itself. But we shall reverse the terms *Council* and *Parliament*. In other words, before the beginning of the financial year the European Parliament will draw up a budget and discuss it beforehand with the Council of Ministers. We shall see what this kind of procedure before the beginning of the financial year leads to.

The third reason for the budget's unacceptability is as follows: it provides neither for the requisite agricultural spending nor for payment of the United Kingdom's refund. During the last plenary sitting we had a long debate to the effect that the amount of this refund as agreed on by the Fontainebleau summit, i.e. one thousand million ECU, was indeed payable but

Pfennig

that under the existing Financial Regulation it could only be paid from the expenditure side of the budget to special projects in the United Kingdom. Here too the Council is unreasonable and would like to put off the problem till the autumn, perhaps hoping that the Financial Regulation will have been changed by then. It will not have been: two Member States have made that quite clear. And so I wonder what the Council means by not agreeing to allow for this refund to the United Kingdom in the budget, as proposed by the European Parliament.

I can draw only one conclusion from it: the Council is clearly persisting in its efforts to upset the balance of the European Community, not only its budget but also its Financial Regulation. The procedure now proposed by the Commission is totally unacceptable, as we indicated in the week of our last plenary sitting. That procedure is not a federal financing system of the kind which the Community has had to date, but rather one which would be suitable for financing a tennis club — all club members paying one per cent of their income, except for one member who only pays when he actually uses the courts. For the Community this just won't do! For this third reason also the 1985 budget will be rejected!

Sir Fred Catherwood (ED). — The issue before us is whether we confirm the Council's breach of the Treaty — both the letter and the spirit — in approving a budget that does not cover expenditure. The Commission says it does not cover expenditure; it is quite clear about that. That is the advice that the Council has been given; we are not imagining it! The Council itself admits that it does not cover expenditure, otherwise it would not include 1 315 m ECU in square brackets. That is an admission by the Council. So there is no question of whether this budget covers expenditure or not.

We are asked to approve this breach on the grounds that *ad hoc* arrangements will be made later in the year. We all know, of course, that the Council has been forced into *ad hoc* arrangements in absolutely everything that it does because of the Luxembourg Compromise; the compromise that renationalized the decision-making of the Community. But until now the Council has respected the disciplines of the budget, and the pressures on the Council have not renationalized the decision-making process of the budget. But the proposal from the Council does renationalize the budget. There will be an intergovernmental agreement later in the year to decide how much is needed. Ten governments will get together and they will make the decision as to how much is needed and where it should go. Then they will propose a supplementary budget and we will be dependent on their agreement at intergovernmental level as to whether we accept that supplementary budget or not. So the budget of the Community will be decided no longer in Community institutions but in an *ad hoc* intergovernmental forum

where everything will be decided on the margin that matters — that margin of manoeuvre which has so far been reserved to the Community institutions in a well understood relationship between the three major institutions.

Are we exaggerating? Are we making an undue fuss? Will we be told that we are making too much of a fuss; that we are being legalistic? It does not really matter. But if you look at what has happened after the Luxembourg Compromise, I do not think we are making an undue fuss. That started as a fairly reasonable request that vital national interests should require absolute unanimity. But as soon as the decision-making was renationalized — even on a reasonable basis — the rot spread not just into the Council, not just into Coreper, but into the Commission which would not or could not put any proposals but the lowest common denominator. Look at what has happened to the Community since the spread of the rot when decision making was renationalized.

The Parliament, Madam President, is the only cordon sanitaire against this corruption of the Community process. There is no way forward in the renationalization of the Community. There is no blueprint for a Community that is run by national decision making and by *ad hoc* arrangements on the budget. That is no way forward for the smallest country or for the largest country. There is no logical power behind that process. Therefore, we have to act as the cordon sanitaire — the one institution that is not afraid of the Council; the one institution that can stand up to the Council; the one institution that can say no, you cannot do it, you must not do it, it is against the spirit and the letter of the Treaty. We have absolutely no alternative, whatever it costs, but to say, no, the budget must not be renationalized, it must be got back to a proper form in the Treaty. Only in this way will the fair words of Fontainebleau be transformed into a Community that is going to take Europe forward. So we have an extremely important decision to make, and it is encouraging to feel that the vast majority of Parliament is behind this decision and is going to put a roadblock in the way of the Council and make it absolutely clear that it must keep the the budget of the Community in Community hands and that the Community must go forward to re-Community decision-making as well as keeping to the Community budget.

Mr Alavanos (COM). — (GR) Madam President, we in the Communist Party of Greece voted against the 1984 budget. On that occasion we were a small minority. As regards the 1985 budget we said at the first reading that we were moving towards voting against it. With great surprise, however, we see that today we belong to the overwhelming, not to say unanimous, majority of the European Parliament due to vote against the budget, a majority which stretches from the progressive benches to the benches of Mrs Thatcher, and even of Mr Le Pen.

Alavanos

The Committee on Budgets has recommended rejection of the budget. But where has it chosen to stand and fight? On the policy of austerity which runs right through the 1985 budget? No. On the issue of financial stringency which is all-pervasive in the 1985 budget? No. On the refunds to Great Britain which have led to the impasse facing the Community budget today? No. The Committee on Budgets has chosen to stand and fight on whether the supplementary budget for 1985 should be drawn up today as it proposes, and there is more sense in this, or next September as the Council is proposing.

So we see a conflict between institutions on a matter which from a political and economic standpoint is not of prime importance, while the tremendously important political and economic issue of how the Community's resources are distributed is downgraded and made subordinate to institutional wrangling. In our opinion this is a misleading and dangerous contrivance. For the political, social and economic differences, that is, to be concealed behind institutional jousting, behind the European Parliament's oneness in frantically striving to widen its authority. And it really was with particular sorrow that earlier on we saw the European Democratic Group speaker, Sir Fred Catherwood, applaud the speech by Mr Pitt of the Labour Party when, judging by what is said at least, enormous economic and political differences separate their two parties.

At the national level, Madam President, the voting down of a budget means a government crisis and possibly elections, and in most cases this is a political tragedy. But at the Community level the Commission, the Council and the policies à la Thatcher and Kohl which run right through the EEC remain inviolate. This in our view is a farce at the expense of the working people of the Community. I remind you of what the President of the Council said, namely that with the system of twelfths 1.3 billion ECUs will effectively be cut from EAGGF guarantee. To wind up, Madam President, I want to stress that in voting against the budget the Communist Party of Greece will not, of course, be doing so because it wishes, shoulder to shoulder with the New Democracy and other parties, to get more powers for the European Parliament, but because it disagrees with financial stringency, because this budget is effectively a rejection of all our amendments on the Mediterranean programmes and the five-year programme, etc., because it disagrees with the amendments which seek to make credits available to Turkey and because it disagrees with the pro-monopoly policy of austerity which runs right through the budget.

Mrs Tove Nielsen (L). — (DA) Madam President, the President-in-Office of the Council said today that it is not in the interests of the Community or of its citizens for us to reject the budget for 1985. I entirely agree that we need a budget, but it must be a realistic budget, and the President-in-Office has today plainly

admitted that there is no coverage for the whole of 1985. Put a different way: it is not a realistic budget that the Council is putting forward, and it is not therefore adequate for the heavy and serious tasks we are faced with. It cannot be in the interests of the Community and neither can it be — for that very reason — in the interests of its citizens. There are a number of problems in the Community which are best solved in cooperation, and that is what we are working for in the European Parliament. It is precisely in the European Parliament that we work politically across national frontiers. Many tasks await us. We urgently need to create more new jobs, and this is something we have repeatedly affirmed. We need a common industrial policy, a common transport policy, and we need to do more for the developing countries. And I could mention other urgent tasks which we need to do something about, for we are strongest as a Community.

It is regrettably a characteristic of the Council that the members work, think and act on national lines. It is national solutions and attitudes in particular which work against the Community, to the detriment of the citizens of Europe. It is my hope that European attitudes will soon find their place in the Council. It is only then, I believe, that, as fully equal partners in cooperation, we shall be able to reach rational solutions in which we can have respect for one another. That is unfortunately something we still have to wait for, but I urgently appeal to the Council to understand that we have certain tasks which we take seriously, which we are anxious to accomplish and which are best accomplished — or can only be accomplished — if the Council thinks and acts in a European spirit too.

Mr Fich, as the main rapporteur for the 1985 budget at both first and second readings, has made a very clear statement of Parliament's duties. As a member of the Liberal Party in Denmark I greatly appreciate his objective and well-founded demands to the Council of Ministers, and I fervently hope that Mr Fich's pro-European views, which have emerged with great clarity, will also be taken to heart by his own party in Denmark, the Social Democratic Party. My own party, Venstre, is an unequivocally pro-European party, and our programme does not seek to hide the fact. On the contrary, we are at pains to demonstrate the better Europe we wish to join in creating in the Community.

But the situation in Denmark is such that we still do not have the cooperation of the Danish social democrats in the Folketing, where the decisions regarding action in the Council are taken, i.e. that party does not dare acknowledge that to which it was previously committed, in other words a pro-European attitude which will afford us the possibility of solving the really pressing and concrete problems. I hope that Mr Fich will find it possible to influence his own party at home. If he succeeds, Denmark may once again in the Council be a country committed to what it believed in when

Tove Nielsen

we took our decision to join the Community. For the situation is that we are approaching a vital crossroads in European policy, and the Member States must make their position clear. We must solve certain problems and we must show the will to do so. I deplore the Council's refusal, and unfortunately it seems to be the Council's final attitude. We have no other option than to reject the budget. But I urge the Council in the strongest possible terms to start to think and act in a European spirit, for that is what will benefit the Community and the citizens of Europe. That is why we have been elected to the European Parliament, and we want to honour our commitment. I call upon the Council of Ministers to join us in shouldering the common responsibility we have! The citizens of Europe are entitled to expect it of us.

Mr Rigo (S). — (*IT*) Madam President, here we are, at the second reading, discussing the 1985 budget which contains, in an even worse form, the same contradictions as the 1984 supplementary budget. There was never any doubt that, after the surreptitious enlargement of the 1984 revenue, and the surreptitious reduction of the 1984 expenditure. These factors would have their repercussions in 1985. The Council's presentation of a budget covering only 10 months is the natural consequence of a political attitude adopted. It is therefore from the political standpoint that the 1985 budget should be assessed. This part budget is not a proposal nor a policy and neither, strictly speaking, is it a budget: it is, in short, as Mrs Scrivener has said, an 'unacceptable fact'. It is an unacceptable fact made worse on two counts: the first is the lack of conciliation on the eve of the second reading, in accordance with established practice, so that the Council could review and regain a positive relationship with the Parliament and revise the lines of the budget; the second count, which is even more serious, is the decision taken at the Dublin Summit of 3 and 4 December by the Heads of State and Government on budgetary discipline, whereby the Parliament was deprived of its authority, and the Council became in practice the sole budgetary authority. Parliament will henceforth be 'heard' and will no longer take part in a process of co-decision. This is in open violation of the spirit and letter of the Treaties, which make Parliament one of the two budgetary authorities. This is not a corporate defence of our Institution; it is very much more. It is a denunciation of the blocking, systematically practised by the Council, of the development of Community policy. And this budget is a further proof of that. Therefore, either we take the opportunity presented by this budget to re-establish, forcibly, our own initiative, or inevitably we shall find ourselves on a downward path leading to the reduction and final neutralization of the functions of the European Parliament. It is natural that, where the 1985 budget is concerned, we should find unity between Parliamentary groups with different ideas and different philosophies. But the 'No' cannot be an end unto itself — a 'No' to a budget that, covering as it does a period of only

10 months, becomes a document that from the accounting point of view is totally unacceptable.

As I was saying, this must be the occasion for a solemn call to Member States to respect the spirit and letter of the Treaty. We say this in this Chamber, strengthened by the popular vote that, only a few months ago, gave us the mandate to represent and carry forward the idea of Europe in this institution and in our own countries.

We also have to study and carry forward a new proposal from Parliament affecting the sectors of production, research, and scientific and technological development.

Mr Pitt, when criticizing the imbalance in the budget between agricultural and non-compulsory expenditure, put his finger on one of the fundamental elements in the disagreement and difficulty that Parliament and the Community experience in keeping a relationship going that involves all the national forces present in Parliament. This can only however be done through a policy of income enlargement which, together with greater financial independence for Parliament, also makes it possible to enlarge non-compulsory expenditure and, hence, to make possible a policy that will make us competitive with the other countries that today dominate the world economy.

A new Community policy is absolutely vital, and we take a very good view of the fact that the President of the new Commission, Mr Delors, has taken charge of monetary policy for the very purpose of strengthening the European currency amongst the currencies of the world, and putting forward an economic policy that will reverse the present trend.

During his visit to China President Reagan remarked that 1984 was the first year in which foreign trade across the Pacific exceeded that across the Atlantic. This is something that would have been absolutely unthinkable 10 years ago. In those areas of Eastern Asia production goes ahead at a pace very close to what was achieved in post-war Europe in the '50s and '60s. It is therefore those countries, as well as America, that we have to keep our sights on in our endeavours to extricate Europe from the role of 'decadent nobleman', a Europe incapable of reacting and facing up to the new situations occurring today in the world, a Europe with an outlook that lives in the past, on tradition, on history, but which is unable to get into step with future prospects.

This is the point, then, that we have to tackle with this budget. Member States must re-think this policy, from Britain — which cannot retain part of its contributions except for a limited period of time, and then only as a reimbursement under the expenditure Chapter — to Western Germany, which must agree to raise its VAT contribution to 1.4% as soon as possible, to France

Rigo

and Italy, which must equally review their agricultural policy.

Thank you, Madam President, for having allowed me to bring these problems to Parliament's attention.

Mr Cornelissen (PPE). — (NL) Madam President, following on from the general political conclusions Mr Langes has drawn, I should like to consider three points at greater length. Firstly, Britain's compensation and the implications it has for the Federal Republic.

Our objections to this compensation being offset against the VAT owed by the United Kingdom, with the European Parliament playing no part, have been brushed aside by the Council with a reference to Fontainebleau. Fontainebleau appears to be a kind of *deus ex machina*. That was what was agreed there, and that is the end of the matter. No further discussion. But not even Fontainebleau can conceal the fact that there is now a shortfall of some 1 500 m ECU in the budget. After all, the repayment has not been included on the expenditure side, and no adjustment has been made to revenue either. Contrary to proper budgetary principles, the problem is to be solved with a supplementary budget.

Secondly, the slashing of non-compulsory expenditure. This expenditure is essential if there is to be a European approach to the problems facing the public in and outside Europe. The three main problems are hunger in the world, an unacceptably high level of unemployment and the threat to the environment. The dreadful disaster caused by poisonous gas in India is clear proof of our obligations as stewards of God's creation. At the first reading the European Parliament adopted amendments which would restore 373 m ECU of the non-compulsory expenditure removed by the Council, but it has agreed to only half of this.

Thirdly, the budget covers expenditure and revenue for only ten months. The Council realizes this, but the 1 300 m ECU entered by the European Parliament for agricultural expenditure and the corresponding revenue have large brackets around them and are accompanied by a footnote and other restrictive provisions. As a result of what I would call this striptease in brackets, everything is in the air again where this item is concerned. The Council persists in its view that it should present a budget which covers only part of the year, which is undoubtedly a novelty in the parliamentary history of the Community and the Member States, but I simply see it as evidence of the Member States' impotence. I refuse to believe that the national governments do not realize that the Community's own resources must be increased if new European policy is to be developed. The fact that European policy which replaced national policies would ease the burden on the national budgets must surely appeal to the national Finance Ministers. To paraphrase a Dutch saying, I would say to them: your guilder is worth a guilder and a half in Europe.

In his speech the President of the Council clearly demonstrated the Council's political impotence with his constant reference to the present lack of resources to meet necessary expenditure. But that is precisely the issue at the moment: the Council has known this for twelve months, but it simply cannot agree on the Commission's and Parliament's proposals for the creation of the legal basis for new resources. I am afraid that the Council's policy is increasingly becoming one of 'let's live for today and see what tomorrow brings'.

This summer we were elected to protect the interests of the Community and its citizens. This budget is unfortunately incompatible with development towards a democratic Europe. The adoption of this ramshackle budget would not be a step forwards but a step backwards. I realize that its rejection will also have repercussions for the Community's future development. Unfortunately, we have no choice. Thursday, the day on which the vote will be taken, promises to be a black day for Europe unless the Council repents and thinks European. But, Madam President, we shall never say die. Even after this European winter there will be another spring.

Mr Price (ED). — Madam President, if the European Parliament rejects this budget it will be for the sole reason that it does not cover the expenditure needs of the Community for 12 months. Essentially this criticism of the Council is not a criticism of the way that it has exercised its budgetary powers but its legislative powers. It was clear to everyone, long before the 1985 budget discussion began with a preliminary draft budget, that extra resources over the 1% ceiling would be required for 1985. The 1% ceiling is a limit which has to be respected in the budget so if the increase was to be put in place in time for a 12-month budget to be adopted, the Council should have acted in respect of its legislative powers some time ago. They failed. So now we have the choice of either rejecting the budget or simply accepting the Council's framework in the draft budget and adding smallish sums to non-compulsory expenditure. That is the choice that faces us. It is clear which of these courses the European Parliament is about to adopt. It is to reject the budget.

All I can say is that I hope it will not be long before the Council does put in place the necessary legislation to enable a new draft budget, covering 12 months, to be put before us.

I have one particular sadness about the effect of rejection and that is that we have not been able to end with a clear challenge to the Council about Parliament's powers over the revenue side of the budget. In its response to our first reading amendments dealing with revenue, the Council has said amendments within the meaning of Article 203 of the EEC Treaty concern non-compulsory expenditure and not revenue. Article 203(4) of the Treaty makes it quite clear that Parliament has the right to amend the draft budget

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and to propose modifications relating to compulsory expenditure. So what the Treaty makes quite clear is that the only exception to the normal procedure in relation to the budget is for Compulsory expenditure. Thus the Treaty itself makes quite clear that Parliament has the power to amend the draft budget both in respect of non-compulsory expenditure and in respect of revenue. I am sorry that this point will not be cleared up now. It certainly has to be in the future.

Mr Wurtz (COM). — (FR) Madam President, my Group has already stated its position on the budget. I would therefore merely wish to add a word on an aspect of this budget or, more exactly, of the Council's proposals which strikes us as particularly scandalous: this is the idea of restoring the 1985 appropriations for special aid and the fourth financial protocol between the Community and Turkey.

It was doubtless in order to justify the Council's position on this matter that the President-in-Office replied to a question of mine on 24 October last that 'the Ten had noted several positive developments and were interested to see that the elected Turkish Government was rapidly moving towards restoration of human rights and freedoms in Turkey'.

Since that date, however, 273 citizens have been sentenced for political activities in Turkey; one man, Hidir Aslan, has been executed; 11 have been sentenced to death, 25 to life imprisonment and the others to between 5 and 36 years in prison.

In the circumstances — and I was anxious to draw your attention to this matter — I believe that it would bring discredit on the House and the Community to endorse such a move.

(Applause from the Left)

Mrs Fuillet (S). — (FR) One minute's silence for a defunct budget: that, Ladies and Gentlemen is what I am tempted to call for.

However, parliamentary procedure requires me to speak to the motion for a resolution to reject the draft budget for 1985.

How could the Council have believed for one moment that the European Parliament, a Community institution democratically elected by universal suffrage, could have lent its agreement to a budget covering only ten months of the year, thereby disregarding the fundamental principles without which there can be no democratic life?

Mr President-in-Office of the Council, your arguments failed to convince me. They go against reason, they go against the Treaties and, as I was just saying, they go against democracy.

It is really unthinkable for any elected representative who has been given responsibility for financial administration to present a truncated budget in which the details of revenue and expenditure are not shown clearly but buried under layers of cosmetics, the artifices of this new fashion for 'square brackets'. If they had been round brackets, Ladies and Gentlemen, would we have found them acceptable? This is a question that I have been asking myself for a number of days. What a far cry from the spirit of the Treaties! What a far cry from the true European idea!

The European Parliament has the right to vote on expenditure. It has a role to play in regard to non-compulsory expenditure, a role which cannot be reduced and cannot be taken away from it. The European Parliament is not responsible for the lack of agreement prevailing in the Council. The farmers and the unemployed are even less responsible.

It would have been quite possible to cover the full year's expenditure, Ladies and Gentlemen. The Council had a choice between the system of advances under intergovernmental agreements — which we, as European parliamentarians, find very uncomfortable — and a system under which the increase in own resources could have been brought into operation with effect from 1985. At a time when all Honourable Members are agreed that what we want is more European solidarity, I as a French Socialist find it a great shame that the wisdom of those Member States which wanted to increase the level of own resources by raising the VAT percentage did not prevail and that other States, taking advantage of the unanimity rule, should have set a new condition which must be met before this increase can be implemented, thereby delaying the inauguration of new policies and the possibility of building a Europe which is closer to her citizens without penalizing the farming community.

I also find it a great shame that the Council should have turned a deaf ear to the appeals made to it by our Committee on Budgets, which had left the door ajar in the hope of a last conciliation meeting. The Council did not listen to us, the Council left its door closed, the Council will bear the consequences.

Mindful of these consequences, we shall be keeping to the commitment that we gave in this Chamber to reject the budget for 1985. We are convinced that this is the only course open to us if we do not wish to witness the deterioration and eventual collapse of the Community. It is the only way in which we can honour the contract that we have entered into with the citizens of Europe. Everyone who wants Europe to speak with a single voice so that it will make itself heard will appreciate that it was only after very serious thought and with great sadness that we reached this decision. We believe that the future will show that we were right. Major undertakings must be approached with firmness and rigour. It is with these considerations in mind that the

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Socialists in the European Parliament will vote to reject the 1985 budget.

Mr Brok (PPE). — *(DE)* Madam President, ladies and gentlemen. In his speech the President-in-Office of the Council claimed that the Council had submitted a fair budget draft for the first reading and had been more than fair over the second reading.

I don't know if it is very democratic for one body to lay claim to a monopoly in fairness — but can a budget be fair when it in no way meets the economic and social requirements of the European Community which is faced by such mass unemployment? Can a budget be fair when two thirds of the appropriations for development aid proposed by Parliament are wiped out — to the tune of 135 million ECU? When the Council President then says in this context that it is inappropriate to do more for rice and cereals I ask myself if this is not an example of particularly cruel heartlessness, given the masses of people who are starving in the Sahel and in Ethiopia. Can this budget be fair when it ignores, for example, the cultural and information requirements posed by International Youth Year?

The decisive reason for our rejection of this budget is, however, the principle of the annual nature of the budget which has not been respected here, and the fact that insufficient funds, 1 300 million ECU of them for agriculture, are forthcoming. But talking of a supplementary budget here makes a travesty of the idea of a supplementary budget, for a supplementary budget is only justified when relatively unforeseen measures have to be financed. This is not the case here.

But much could be said on this during this difficult period, and indeed Parliament has already seen a thing or two in connection with the 1984 supplementary budget. Then the Commission made cuts in the very areas which were of particular interest to Parliament, whilst the Council deliberately did not create the necessary legal bases, in order thereby, for example in the matter of non-compulsory expenditure, to undermine Parliament's budgetary powers by means of a plot.

This is where the blame lies, if we are apportioning blame, and this is why Parliament cannot acquiesce. It is not Parliament which will be deemed to be at fault if certain things cannot be done next year because of the provisional twelfths system, but the Council, because by using a supplementary budget and the related mechanisms it makes special measures impossible.

For this reason and in view of the fact that the refunds to the United Kingdom and Federal Republic of Germany are to be paid out of income, thereby undermining Parliament's budgetary powers, that only a small compensatory rise in non-compulsory expenditure is envisaged in this budget and that the necessary

increase in income has not been made. Parliament really has no choice, if it wishes to show its mettle, but to reject the budget.

Mr Kyrkos (COM). — *(GR)* Madam President, we agree with the recommendation of the Committee on Budgets and intend to vote against the Council's draft. We ask ourselves, however, about the more substantive matters behind the present dispute between the institutions which is a repeat of what seems to happen without fail every year. In our judgement the issue at stake is not purely a legal one, about which party is being more faithful to the letter and the spirit of the Treaties establishing the Community, but is about what the Community will be able to do to overcome its present deep crisis. Clearly, for this to happen new funds, either in the form of advance payments or through a sharp increase in own resources, will need to be made available in order to finance a major effort based on new policies and aimed, in confirmation of the principle of Community solidarity, at bridging the disparities which exist. However, this calls for the institutions to have the political will to get close to the peoples so that they can rise to the challenge of history. Our Parliament has achieved this to a degree, but it has come up against the short-sighted money-changer's logic of the Council.

I would like to mention one example. It concerns the Mediterranean programmes. The Commission devised them and the European Parliament approved them almost unanimously, but the Council is bankrupting them and in doing so it is also bankrupting the idea of Community solidarity, increasing bitterness, widening the disputes and divides between the peoples, sabotaging the enlargement involving Spain and Portugal and reducing the historic perspective of the Community to pygmy proportions. Yet, as Mr Wurtz rightly pointed out a short while ago, it can find money to encourage the Evren junta in disregard of Parliament's categorical opposition. Mr Cot and Mr Fich have told us that rejecting the budget constitutes a political commitment. The internal Communist Party of Greece will stand firm on this commitment for a new democratic way out of the crisis and a new formula which measures up to the mandate of those who have entrusted us with their aspirations.

Mr Eyraud (S). — *(FR)* Madam President, Ladies and Gentlemen, rejection of the budget presented by the Council is motivated by respect for the letter and spirit of the Treaties and in line with the tone set at the Fontainebleau summit.

Respect for the Treaties clearly implies that a balanced annual budget must be drawn up and that due consideration must be shown for Parliament's budgetary powers, neither of which has been done, as has been pointed out by most of the previous speakers. I for my part consider that it is useful, and actually in the inter-

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ests of the Community, to expose the Council's double-talk. On the one hand, it affirms its desire to develop new policies; on the other, it refuses to enter the necessary revenues in the budget, thus denying itself the financial means for these policies. A number of Governments were prepared to make this entry, it would appear, despite the Council's protestation of solidarity among the Governments. We are not convinced that this solidarity exists, any more than it appears to exist between, say, the Council of Ministers for Technology, the Council of Ministers for Agriculture and the Council of Finance Ministers.

In the case of the common agricultural policy, for instance, the expenditure envisaged on the basis of the current legislation by both the Commission and Parliament results in a deficit of 1 315 million ECU. But the Council refuses to enter this amount on a binding basis on the expenditure side and to make provision for the corresponding revenue, for instance by entering certain negative expenditure on the revenue side, such as the superlevy on milk or the expenditure stemming from failure to comply with Community preference.

In the case of new policies, the appropriations shown by the Council in its draft budget for 1985 are lower than those for 1984, and most of Parliament's amendments aimed at increasing them have been rejected by Council.

These two examples clearly show how impossible the Council is finding it to reach agreement among its number.

The French Socialist Members cannot accept this state of affairs. Because they are deeply committed to the construction of Europe, they are in favour of rejecting the budget. They are convinced that any further advance by Europe requires financing for the proposals on which the French Presidency secured adoption at Fontainebleau, among which I should like to mention in particular reform of the common agricultural policy, measures to combat unemployment, food aid, regional development, and enlargement. If this finance is to be provided, own resources must be increased, mainly through VAT, as was agreed at Fontainebleau, although some members of the Council are now holding back.

I should like to make two points by way of conclusion. First, rejection will allow the new Commission, which takes up its duties in January, to present a budgetary document which they themselves will have to implement. That is a good thing. Secondly, by rejecting the budget, Parliament is taking a step in the direction of evolution of the Treaties, which was another point to emerge from the Fontainebleau summit and has been taken up by the Dooge Committee in its interim report, which I quote: 'A Parliament elected by universal suffrage cannot, in good democratic logic, be confined any longer to a consultative role or reduced

to having powers of decision over only a small part of Community expenditure'.

President. — The debate will continue tomorrow evening.

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

IN THE CHAIR: MR PFLIMLIN

*President*3. *European Council in Dublin*

President. — The next item is the statement by the Council and the Commission on the outcome of the European Council meeting in Dublin on 3 and 4 December 1984.

I welcome Mr FitzGerald, President-in-Office of the European Council.

(Applause)

Mr FitzGerald, President-in-Office of the European Council. — Mr President, ladies and gentlemen, I am very happy to have the honour of addressing you for the second time in the current Irish Presidency of the Council.

I propose to report to you on the outcome of the meeting of the European Council held in Dublin on 3 and 4 December. I am also pleased to present to you today, as provided for in the Stuttgart Solemn Declaration, the annual report on progress made in 1984 towards achieving European Union. My colleague Peter Barry, as President-in-Office of the Council, will report to you more fully tomorrow on the progress made in the Community over the past five months.

I look forward to hearing the statements by the President of the Commission and by the leaders or spokespersons for the political groups and then replying briefly before I take my leave, as I also have to report to our parliament in Dublin on the actions of the government of Ireland over the past five months!

I understand that a second appearance by the President of the European Council before Parliament during a presidency and a personal reply to the debate represent innovations. If so, I am glad to break new ground in inter-institutional relations, as I was happy

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to do in a number of respects as President of the General Affairs Council in 1975.

(Applause)

Throughout the current Irish Presidency my colleagues in government and I have been most anxious to ensure good relations between Parliament and the Council and, where possible, to encourage further beneficial developments in these relations.

Following my address to you on 25 July last when I met the enlarged Bureau to seek their opinion on the appointment of Jacques Delors as President of the Commission, we had a very useful exchange of views, in the course of which the Bureau asked that the Presidency arrange for a third meeting between the enlarged Bureau and the ten Ministers for Foreign Affairs of the Member States. As you know, this meeting took place on 20 November last.

In accordance with the commitment I gave here last July and in response to a specific approach from your President, I ensured that there would be close contact between Parliament and the *ad hoc* Committee on Institutional Affairs. By tomorrow there will have been four formal or informal meetings between the chairman of the committee on the one side and your President or delegation from Parliament on the other.

I was very glad to receive your President in Dublin on 31 October, following the meetings I had with him and previously with his predecessor at the beginning of the Irish presidency. While President Pflimlin was in Dublin, I arranged for him to meet the Irish representative on the Committee for a People's Europe, who was then about to convene the committee's first meeting. That committee has also made arrangements to ensure close liaison with Parliament.

Throughout the Presidency we have ensured the operation of the established mechanisms of Council-Parliament relations, including the recent consultation on the third Lomé Convention in the framework of the Luns-Westerterp procedure in its now extended ambit.

I acknowledge, of course, that there has been a certain strain in relationship in regard to budgetary matters. Such tension between Parliament and the Council is not surprising. It is a normal and even a necessary feature in our European institutional framework, especially at this stage of institutional development. The Presidency has made every effort to ensure that this tension would be resolved in a healthy way in full conformity with Treaty provisions, including those relating to the powers and prerogatives of Parliament.

Together with other Ministers concerned, I discussed the issues in question with President Pflimlin when he visited Dublin. Following that, arrangements were made for a meeting of the Presidents of the three institutions. Subsequently, before the Council set out to

adopt conclusions on budgetary discipline, a dialogue, *sui generis* in nature, took place with a delegation from Parliament, as a result of which certain modifications were proposed to the intended provisions in order to meet Parliament's concerns. As you all well know, it was not possible to reach full agreement on the modifications before the European Council met, but we were able, I am happy to say, to obtain full agreement in Dublin on procedures which I believe go a considerable distance to meet the views expressed by Parliament upon this matter.

I would hope — and I think the word 'hope' is probably the best one — that in determining your approach to the outstanding budgetary questions Parliament will take account of the circumstances in which the Presidency had to operate, following the agreements reached by the European Council at Brussels and Fontainebleau and the efforts we have made in the Presidency to demonstrate respect for Parliament and to enhance its role in the conduct of interinstitutional relations and of Community business generally.

Let me now turn to the main issues discussed at the European Council meeting last week. At Fontainebleau the European Council confirmed that the enlargement negotiations should be completed by 30 September 1984 at the latest. We in Ireland had grave doubts as to the feasibility of this objective, given that the negotiations had been in progress for five years, that Community positions remained to be settled for very important chapters of the negotiations and that the Fontainebleau meeting had decided on a reform of the common organization of the wine market as a necessary step preparatory to enlargement.

Despite these doubts, we accepted the deadline on the basis that we would make every effort to ensure that it was respected and that in any case its retention would maintain the pressure on all parties to make the decisions necessary for enlargement to proceed. We made the completion of the negotiations in time to ensure the entry of Spain and Portugal on 1 January 1986 a paramount priority for the Irish Presidency and took steps to intensify and speed up the negotiations. I received the Spanish Prime Minister, Mr Felipe Gonzales, and senior colleagues in Dublin on 20 September last in order to give an impetus at the highest political level to the process.

I also travelled to Portugal four days later, on 24 September, where discussions I had with the Prime Minister Mario Soares and his ministers led speedily to the subsequent signature in Dublin on 24 October by Dr Soares and myself of a *constat d'accord* which states that as a large measure of agreement has been reached between the Community and Portugal, the process of Portuguese integration into the Community is now irreversible.

As a result of these efforts, and with certain cooperation from Member States and the applicant countries,

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important progress was made in the negotiations. However, this progress was impeded by the inability of Member States to reach agreement among themselves on positions to put to the applicant states on several vitally important issues. The European Council meeting in Dublin last week was therefore faced with a very considerable challenge. The psychological impact on the applicant states of the failure to resolve the outstanding issues would have been extremely serious and could have had profound political consequences.

Against that background I think it is fair to say that the major task of the Dublin meeting was to unblock the negotiations on enlargement, in particular by overcoming the grave — at times apparently even insuperable — difficulties which have prevented agreement being reached in either the Agriculture or Foreign Affairs Councils on reform of the market organization for wine. This was an essential preliminary to settling the Community position on wine for negotiations with Spain and Portugal.

Following the work done over the previous few months on the basis of successive Presidency compromises brought before the different Councils, the differences between the countries involved had narrowed. Nevertheless, following the Foreign Affairs Council on 26-28 November, we were faced with a deadlock which could have brought the enlargement negotiations to a halt. Once it was clear, following the failure of the General Council of Foreign Ministers on 28 November, that the issues would have to be taken up at the European Council, I immediately initiated a round of contacts on the following two days — 29 and 30 November — designed to establish the basis for a further Presidency initiative to break the deadlock. I visited Paris and Rome where I met President Mitterrand and Prime Minister Craxi with other senior ministers concerned, as well as meeting briefly Prime Minister Papandreu. In Dublin, before the Council, I met President Thorn and Chancellor Kohl. As a result of these meetings and of telephone contacts over the intervening weekends with Paris and Rome, the Presidency was able to table at the commencement of the Council a new compromise which was warmly welcomed as a suitable basis for discussion. The ensuing discussions were, at times, difficult, but they led eventually to an understanding which is embodied in a text on table wine that was agreed on Tuesday last by the Heads of State or Government. This text forms an integral part of the Presidency's conclusions of the meeting and represents, I believe, a fair and prudent approach with an equitable balance of sacrifices and burdens between the Member States, particularly those which are significant producers of wine.

The agreement on wine enabled the relevant Heads of State or Government to lift their reserves which had hitherto prevented the finalization of Community positions on Spanish agriculture and fisheries. The agree-

ments on enlargement and wine are, however, subject to a reservation by Greece.

Following a procedure agreed by me as President of the Council with the Greek Prime Minister, I first read to the meeting a statement by him recording that Greece did not agree with enlargement unless a satisfactory position of the Community was taken on integrated Mediterranean programmes, and that this was also the Greek position concerning wine, followed by a text stating the agreed Community position, that is to say agreed by all ten Member States, that, and I quote: 'Negotiations on enlargement will therefore have to proceed on an *ad referendum* basis in view of the above declaration placing a Greek reserve on this issue'. The texts of these two statements, as agreed with the Greek Prime Minister, have been included as an integral part of the Presidency's conclusions of the European Council and have been circulated.

This means — and this has been confirmed by Prime Minister Papandreu in the Greek Parliament since then — that negotiations on enlargement on the basis agreed by the Community can now go ahead on the individual chapters, but that the whole matter of enlargement remains *ad referendum* in the light of the Greek reserve.

The negotiations over the remaining chapters and issues will, I have no doubt, be tough. The Presidency, in close collaboration with the Commission; is continuing to make every effort to ensure that they will be completed as soon as possible. I believe that the differences between the Community and the applicant countries can be speedily overcome.

The need to bring these negotiations to a rapid conclusion is clear, for following agreement, several months will be required to prepare the texts for signature. If the process of ratifications is to be completed in time, these texts must be ready for approval at the latest by the time the European Council meets in March. That Council will then, I hope, be able to conclude an agreement on integrated Mediterranean programmes which will be acceptable to Greece and which will enable the Greek reservation to be lifted and the ratification process to commence as from that date.

Indeed, it is desirable that this timetable be improved upon if at all possible. What would not be acceptable and would not be workable would be a drifting of negotiations leaving us in a position where in March, even if the Greek reservation were lifted, some months would have to elapse before we reached the stage where the texts were available to submit for ratification to the parliaments which, at that stage, would have gone on their summer holidays. That we must at all costs avoid.

(Applause)

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In relation to these integrated Mediterranean programmes, Members will recall that the points of agreement reached by the European Council in Brussels in March and confirmed by the Presidency Conclusions of the Fontainebleau meeting contained a section on structural funds. Agreement was recorded that these integrated Mediterranean programmes would be launched in favour of the southern regions of the present Community so as to be operational in 1985. Designed to be of limited duration, such programmes will also cover, the conclusion stated, problems raised in the Greek memorandum. This implies — if I may add in parenthesis — a certain element of priority for Greece. It was agreed that the financial resources allocated to aid from the funds, having regard to the integrated Mediterranean programmes, would be significantly increased in real terms within the limits of financing possibilities. I would place more emphasis on the first of those clauses than on the second. But both, obviously, are relevant.

Members will recall the Commission's proposals in regard to the financial endowment and the duration of the integrated Mediterranean programmes. You will also know of the steps taken by the Budget Council and by Parliament itself in regard to the inscription of initial commitment appropriations for these programmes in the draft budget for 1985.

We had protracted and at times difficult discussions on the integrated Mediterranean programmes in Dublin. I believe that all members of the European Council accept the particular economic and political importance that attaches to the implementation of these programmes. Speaking as Head of the Government of Ireland, I can say that we have considerable sympathy for the Greek view that enlargement should not have an adverse effect on the economy of a country which, like my own, is among the less prosperous Member States. I was glad in this connection that a Greek proposal, modified slightly by the Presidency on the basis of the Rome Treaty, was agreed for incorporation in our conclusions on the economic and social situation to the effect that the Community should take measures designed, in the words of the preamble to that treaty, to 'reduce the differences existing between the various regions and the backwardness of the less favoured regions'.

I recall that in this connection, as Foreign Minister of Ireland in 1976, when the Greek application for membership was first made active, I secured agreement that in connection with enlargement, and in particular with Greek accession, the financial resources of the Community would be increased sufficiently to ensure the continuation of the common projects and policies of the Community or those which it intended to pursue in the future. The Community must now address itself vigorously and speedily to the issue of integrated Mediterranean programmes so as to work out how Greek concerns can be met satisfactorily. The Irish Presidency will give a positive lead and direction to

this effort in the period remaining to it. I know that the Italian Presidency will wish to continue this effort wholeheartedly in the early months of the new year.

In my address last July to this House, I put forward my belief that the principal preoccupation of our people is the intolerably high level of unemployment. I went on to outline at some length why and how the Community could play an effective role in tackling this problem through joint action by the Member States which, taken together and acting as a unit, could provide a stimulus for growth and employment far greater than the capacity of any single Member State, even one of the larger Member States acting on its own. At the outset of our Presidency we made this one of the priority issues, and we have pursued it consistently since then in discussions with partners, with the Commission and with the representatives of the European trade unions and European employers, both of whom I met in the period before the European Council.

To give further momentum to this initiative I suggested in a letter which I sent to the Heads of State or Government before the Council meeting in Dublin that we should have a discussion of substance at that Council meeting on the economic and social situation, and that, given the dominance and persistence of the problem of unemployment, we should discuss a collective effort to turn employment trends in a far more positive direction at the European level as we were endeavouring to do in our own country — as indeed had been suggested by the Commission's excellent and balanced annual economic report. This report, which was very warmly received at the European Council and has since, I believe, been endorsed by the relevant Council of Ministers, reflects many of the suggestions contained in the valuable Albert and Ball study which you yourselves commissioned, and in the draft Programme for Economic Recovery adopted by you on 27 March 1984 and forwarded to the European Council.

There is a pressing need to tackle this problem because growth in the Community is expected to be no more than 2.25% in the current year. That is well below the Community's capacity and on the basis of a continuation of present policies no increase is foreseen next year in Community growth which is markedly below the performance of the United States and Japan, not merely the performance of the United States this year, but below the reduced performance expected by the United States next year.

At the same time growth in world trade is expected to fall next year from 9% in the current year to 5% and, most critically, unemployment in the Community at 11% this year is expected to rise even further to 11.5% next year. That means 13 million people unemployed and it could rise even further were growth in world trade to fall below the expected figure.

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If we consider the Community's performance in a longer term perspective there are two central and disturbing facts: firstly, growth shows no sign of recovering to its capacity level in the Community, which clearly is needed to reverse the still surging tide of unemployment. Secondly, we have not been getting enough jobs even out of the inadequate growth we have had, as compared, for example, with the performance of the United States. With inflation falling, with our Community's external payments now expected to show a slight surplus for the Community as a whole next year, and with profits and investments rising, we need to and can do better.

In presenting this analysis of the situation to the Dublin Council as I did, I said that in facing these issues we should have regard to the Commission's guidelines as set out in its Annual Economic Report — taking them as an overall package of proposals. Among the guidelines in the report to which I drew attention were not only monetary policies that would steer clear of any acceleration in inflation and the removal of obstacles to taking on labour and the strengthening of competitiveness, but also other objectives which were not in fact included in the report to the European Council but which are in the annual report to the Commission, for example, the general objective of a progressive increase in the actual and potential growth rate, combined with low and declining inflation, a pause in the reduction of deficits, where these have been brought soundly under control, in order to reduce tax burdens; and the need to develop cooperative action with the United States and Japan to sustain an adequate overall growth in world trade in the period ahead when the contribution from the United States will apparently be reduced.

The discussions in the European Council which followed my introductory remarks were notably constructive and wide-ranging and were in fact the first such in-depth discussions which the Council has had on this topic for quite a long time past and which I think shows the dangers of our Community becoming introspective and becoming so deeply involved in tackling specific problems that it loses sight of what should be the major objectives on behalf of all our peoples.

The agreement reached by the European Council on these matters is set out in the Conclusions of the Presidency. It accurately reflects the points actually made in the discussion which I personally noted and summarized. It is not, as has occasionally been the case in the past — that is an understatement — a series of formulae prepared in advance as a draft communiqué, but reflects the actual discussion that took place in the European Council.

I am very happy to report the European Council's acceptance of the priority to be given to unemployment and their acceptance of the balanced package of proposals contained in the Commission's report.

Moreover, the Council has agreed to the speedy implementation of these proposals. There is also at my insistence a specific request to the ECO/FIN Council and the Commission to keep external developments under continuous review and to report back to the next meeting in March on what measures might be appropriate for the Community or may already have been initiated to assure the objective of a progressive increase in the actual and potential growth rate for the Community to the benefit of employment even in the face, I may add, of what may be deteriorating trends in world trade and the United States' economy.

In addition, we asked the appropriate Ministerial Councils of the Community to review manpower policies and foster enterprise, especially among the young; to complete the Internal Market, including implementation of European standards; to achieve a greater role for the ECU and to develop and strengthen the EMS; to implement without delay previous political commitments on transport policy where there were signs of slippage taking place in respect of decisions already undertaken in principle by the Transport Council and to strengthen the technological base of the Community, for which purpose the Commission was asked to submit an action programme to our next meeting.

The third major subject dealt with at the Dublin meeting was the appalling famine which is ravaging the peoples of so many countries in Africa, such as Ethiopia and the Sahel countries. These peoples are suffering the effects of an unprecedented drought and widespread malnutrition and famine. At least 2m tonnes of grain are required for these particular countries until next year's harvest, in order to meet the priority needs of the countries hardest hit.

Conscious of the very clear expectations of public opinion in our Member States, and of the approaches made to me from a number of quarters, including this Parliament's Committee on Development and Cooperation, and of my own personal responsibility as President, I took the initiative to put this item on the agenda with a view to getting a clear and unambiguous political commitment from the European Council on further contributions on a scale commensurate with the urgent needs of the situation.

At the meeting I stressed the urgency of concerted international action to relieve the manifest disaster in Ethiopia and the Sahel. I proposed to the Heads of State and Government a specific commitment that the Community and its Member States would provide between now and the next harvest 1.2m tonnes of cereals — that is approximately 60% of the estimated priority needs of these particular areas. I also proposed that the Dublin Council should appeal to other donor countries to match this effort in order that the total need of the famine-stricken countries are met especially in the months immediately ahead.

It was my view that it was the obligation of Europe to take on the responsibility for the greater part of this

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commitment and by so doing to induce in other donor countries a positive attitude. Moreover, we would have the moral right to demand such an attitude from them.

(Applause)

These proposals were adopted by the European Council, which instructed the Commission, after consultation with the Member States with a view to establishing the amount of grain that has to be provided by Member States bilaterally, to make a proposal to the Council with respect to the additional Community effort over and above that already provided for, that would be needed to attain the figure of 1.2m tonnes.

This approach was necessary because it became clear in the course of deliberations in the Council that we did not have available to us details of the bilateral commitments and intentions of Member States, so we could not make at that meeting a final assessment of the scale of additional Community aid that might be needed to supplement the bilateral action of member countries. May I, in this connection, say that that bilateral action has been significant and generous on the part of many member governments and notably generous also on the part of the peoples of the Community. In my own country, already the amount raised by voluntary subscription has reached a figure of IR£ 7m, a figure of the order of 10m ECU, which, if matched throughout the Community — which I hope it will be — would mean the equivalent of 1 billion ECU of voluntary effort. I urge other member countries to see whether this example of voluntary effort in my own country could not be followed — as well as, of course, official action by governments and by the Community.

(Applause)

The aid to be provided by the Community could be provided in a variety of ways. In part it could involve earmarking for this purpose a proportion of ACP emergency aid or the allocation to the area of additional amounts over and above those already provided for from the Community's food aid provisions — but only, of course, where this aid is not already earmarked for other countries and where it is capable of being applied to this area without prejudicing the Community's capacity to cope with fresh emergencies that might arise elsewhere in the world in 1985.

(Applause)

For the rest, it may, as I pointed out at the European Council, require a supplementary budget. That remains to be determined.

The European Council invited the Council of Ministers to take, on the basis of such a Commission proposal, any decisions that may be necessary in order to secure the achievement of the total of 1.2m tonnes, and I said I would also appeal to other donor coun-

tries to match this effort to bring the total to 2m tonnes.

The Council also stressed the need for urgency. In order to avoid the threatened shortfall in the period immediately ahead: grain supplies at, or approaching, the ports now fall well short of what has been established as the capacity of these ports and of transport facilities available between them and the affected areas. There has been a notable under-estimation of the capacity of those involved in this operation on the spot to take over supplies and a tendency to think that there was no point in providing supplies beyond a certain level because they could not get through. The fact is that the authorities and all those concerned have worked so well and effectively that the capacity to get grain through the ports and to the people who need it is much greater than anticipated. There is already an immediate shortage of supplies that must be met now. Any delay in meeting it is something for which we could never forgive ourselves.

Finally, the European Council emphasized the need to undertake urgent action to speed up and support the process of recovery and rehabilitation in African countries. This will entail active support by the Community for those countries' efforts to achieve self-sufficiency and security in food, and to implement long-term operations to combat drought and desertification.

The main aid instrument in the Community for medium and long-term development measures, in which this House has always taken a close interest, is, of course, the Lomé Convention. You will be aware of the successful conclusion of the Third Lomé Convention, which was signed in Lomé last Saturday by my colleague, the Irish Minister for Foreign Affairs, Mr Peter Barry TD, and the President of the Commission, Gaston Thorn, on behalf of the Community. This is in fact the third occasion on which this convention has been concluded under an Irish Presidency. This is apparently a permanent institution, and we are quite prepared to take it on indefinitely.

(Laughter)

On environment issues, we asked the Environment Ministers at their Council meeting on 6 December to make every effort to reach agreement on guidelines for a Community policy on the reduction of lead in petrol and vehicle emissions. During our Presidency we have devoted a large amount of time to securing decisions in these areas.

I am glad to be able to report, therefore, that at the meeting on 6 December the Environment Council did agree on the text of a directive providing for the introduction of unleaded petrol on a mandatory basis for 1989, with an option for its earlier introduction should Member States so wish. This directive will be formally adopted once the Council receives the opinion of this Parliament. On vehicle emissions, the

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Council reached agreement on guidelines to apply in this area and has committed itself to taking final decisions in this area at its next meeting. The protection of the environment is an area which is rightly attracting concerned attention by the European public and governments. At our meeting in Dublin we agreed to have a substantive discussion on environmental issues at our next meeting in March.

The European Council also considered several political issues of major international concern: the situation in the Middle East, East-West relations and Central America. We adopted conclusions on each of these important items and also on the problem of terrorism and the abuse of diplomatic immunities.

The importance which the Ten attach to the continuation of the dialogue begun in Costa Rica last September and, in particular, our firm view that a solution to the Central American crisis can be found only through peaceful means is clearly reflected in the conclusions of the European Council on the issue. As these conclusions state, we see the Contadora process as the best available means of achieving such a peaceful solution and we hope that the current difficulties in reaching agreement on the final text of the Contadora Act will soon be overcome.

For my own part, and not speaking on this point for the Presidency, I have been encouraged by the progress made in El Salvador in the form of meetings between the President and guerilla leaders, who include democratic politicians forced out by the *camp* of 1979 against the democratic régime then beginning to take shape. I have also been encouraged by the progress, incomplete though it be in certain respects, towards consolidation of a pluralist system in Nicaragua based on the recent elections.

The Middle East is an area in which the Ten have played an important role in recent years and they remain convinced that a just, lasting and comprehensive peace can be secured in that area only on the basis of a reconciliation of the rights of Israel and of the Palestinian people. It is important not to exaggerate the scope for activity by the Ten at this stage. However, I think it is important that the Ten remain prepared to play an active role should circumstances warrant it. It was with this end in view that the European Council has restated publicly the Ten's position and their readiness to assist in the search for a solution.

We also reaffirmed the Ten's support for the sovereignty, independence and territorial integrity of the Lebanon and the view that all foreign forces must be withdrawn from the country except those whose presence is requested by the Lebanese Government. The concern of the European Council was expressed, moreover, at the apparently intractable Iran-Iraq conflict and the slaughter and destruction which this conflict has brought.

East-West relations, while still troubled, have over the last few months shown clear signs of improvement. The European Council expressed the Ten's intention to continue to encourage a constructive, comprehensive and realistic dialogue between East and West and an early return to stable and predictable relations between the two superpowers. Of key importance is the resumption of crucial arms control negotiations and the urgent need for the opening of talks aimed at avoiding an arms race in space. The European Council therefore welcomed the recently announced US-Soviet agreement to enter into new negotiations on the arms question.

I think that at this point it is worth noting that at the negotiations in which the Ten themselves are taking part, the Stockholm Conference on Disarmament in Europe, there has been a recent important agreement on the problems of a working structure for the Conference, problems which had reflected deep-seated differences between East and West but which have been resolved with the aid of some of the neutral countries. We hope that this will permit negotiations there to get underway on concrete measures aimed at increasing confidence and security on our continent. We in the European Council underline the continuing central role which the CSCE process as set out in the Helsinki Final Act, plays in East-West relations.

The Foreign Ministers, at their meeting on 11 September, approved a general approach by the Ten to the problem of the abuse of diplomatic immunities for terrorist purposes, central to which was the principle on which governments in my own country have always insisted since the foundation of our State, namely, that no concessions under duress should ever be made to those who practice terrorism.

(Applause)

The European Council endorsed the approach already approved by the Foreign Ministers.

Towards the end of the meeting we convened separately as representatives of the governments of the Member States and, in accordance with the Treaty provisions, appointed by common accord the Members of the new Commission, whose names will be well known to you at this stage. As President of the European Council, I had invited the President-designate of the Commission to attend the dinner for Heads of State or Government and the Commission President on the first evening. I was very happy that Jacques Delors was present for our discussions over dinner.

As President-in-Office of the European Council, I thanked President Thorn at the conclusion of our meeting for his work and the work of his Commission during the past four years and wished him and the outgoing members well for the future, sentiments which I gladly repeat here.

FitzGerald

Those of us who served in national governments during this period know that it was an extremely difficult period in which to hold this office. At Community level this period was dominated by disputes among the Member States about the incidence of the Community budget. In these circumstances the task of the Commission was often a thankless one. However, inspired by the European commitment of my old friend, Gaston Thorn, the Commission was ever ready with advice and proposals designed to bring the Community through these difficulties with its patrimony intact and its capacity for further development upheld. That we have largely succeeded in doing so is due in no small measure to the efforts of the Commission and Gaston Thorn, which I salute. I hope that the other outgoing Members of the Commission will pardon me if I also pay a tribute to the Irish Member of the Commission, Dick Burke.

(Applause)

Equally I would like now to express the hope that the new Commission and its President-designate, Jacques Delors, whose success in allocating responsibilities to the Members of this new Commission at this early stage augurs well for its work, will find that their period in office is productive and that it will see decisive progress in widening and deepening European integration.

At the Dublin meeting we received an interim report from the committee chaired by Senator Dooge, whose appointment I announced in this Chamber last July. This committee has been undertaking the task of defining the structure needed to achieve the purposes that I have just mentioned. The interim report was warmly received by the Heads of State or Government in Dublin, and we had a full and useful discussion on the issues that it raises. As indicated in the Presidency's conclusions, the European Council recognized the high quality of the work of the committee and the need for it to continue its work with a view to securing the maximum degree of agreement. We also agreed that the interim report should be published. For our next meeting in March 1985 we asked the committee to complete its work and to submit a report which, after preliminary consideration at that meeting, will be the main subject and focus of the European Council in June 1985.

This decision, taken after careful consideration and full discussion amongst Members of the European Council, is evidence of the seriousness with which the European Council is taking this subject of European Union to which Parliament has pointed the way. It is my hope and expectation that when the then President addresses you about our meeting at the European Council next June, he will be able to tell you of substantive and concrete progress towards European Union based on the final report of the Dooge Committee. I suggest that it might be helpful in the further consideration of this matter if Parliament were to hold

an early debate on the interim report now published — although this is, of course, entirely a matter for you. But it could be very helpful to the committee if it had the benefit of Parliament's views in good time in advance of the preparation of its final report. The relations it has had with Parliament informally since its establishment indicated clearly its desire to take on board the views and ideas of this Assembly.

The European Council also noted the interim report of the *ad hoc* Committee on the People's Europe and asked that committee to make a further report to it next March. Since this committee first met last month, it has shown a welcome determination to tackle seriously the tasks set for it. It has agreed upon a specific programme of work, at once extensive and intensive, and is approaching this work in a sensible and politically sensitive manner, seeking to avoid becoming another layer of bureaucracy, but rather wanting to provide the necessary impetus and to concentrate efforts on a range of specific measures that are likely to be of direct concern to the people of Europe in their everyday activities, which can be put into effect in the near future.

I believe that the recent meeting of the European Council was in more ways than one successful. We reached agreements that allow enlargement negotiations to go ahead *ad referendum*; we undertook substantial commitments to provide aid to relieve famine in Africa until the next harvest; we agreed that a balanced range of economic and social measures proposed by the Commission tackling rigidities and deficiencies on the supply side but also seeking to secure an adequate development of trade and demand should be speedily implemented to increase potential and actual economic growth and to benefit employment, and we have prepared the way for fundamental consideration of European Union next June. These results, with those of earlier meetings and the work currently being done to implement these conclusions, provide, I believe, a firm basis on which to relaunch the Community in 1985. This, I believe has to be our objective.

We must maintain the momentum for decisive steps towards European Union. As we put behind us a period of internecine disputes, we have a unique opportunity to make a breakthrough to a qualitatively different European entity, and to make a reality of a European Union that will be something more than a grandiose new name for our existing inadequate structures. We must seize this opportunity now.

(Applause)

May I, in conclusion, wish the Members of this Parliament a Happy Christmas and a more prosperous New Year than that at present forecast by the Commission.

(Laughter, prolonged applause)

President. — Mr President-in-Office of the European Council, I should like to thank you, on behalf of this Assembly as a whole, on the very detailed statement you have just made. I should also like to thank you for having agreed — and I believe this is something without precedent — to reply personally to the speeches which will be made in the course of the debate.

You mentioned my visit to Dublin. I am sure that the consideration I received from all side was not given to me personally but to the House which I had the honour of representing in your capital city. I should also like to take this occasion, on my own behalf and indeed, I am sure, on behalf of the vast majority of my colleagues to pay tribute to the Irish Presidency. Having taken part in several meetings of the Council I can testify to the fact that the Irish Presidency has done everything in its power to improve relations between the Council and the European Parliament. I should like to pay special tribute to Mr Barry, Mr Dukes and Mr O'Keefe whom I had the honour of meeting in this connection.

If this Parliament has again had reason not to be totally satisfied with the development of relationships between the Council and Parliament it is not to the Irish Presidency that our complaints should be addressed. On the contrary, I must thank it for all it has done to improve relations between our institutions.

(Applause)

Mr Thorn, President of the Commission. — (FR) Mr President, Ladies and Gentlemen, the results of the Dublin European Council have just been presented to you by its President-in-Office, Doctor Fitzgerald. Wishing to be very brief today, I propose to give you my reactions, as a member of the European Council and President of the Commission, to two extremely important issues discussed in Dublin, which demonstrate once again the urgent need for a very early return to strict application of the Treaty and the procedures that it lays down.

Before I come to these two topics, I should like to touch upon a point which was being discussed a few moments ago by my friend Garret FitzGerald, to say that, thanks to him, the Council has demonstrated its readiness to take action to combat famine. However, if this action is really to deserve to be described as an additional effort, there must be a readiness both here and elsewhere — in the Council — to go to the effort of backing it with a supplementary budget.

(Applause)

Responding to your call, Mr President of the European Council, we are leaving no stone unturned in seeking ways and means of stepping up the effort on behalf of the starving. But if Europe really intends to show that it is ready to deploy extra resources, then

the Council and, I am confident, the Parliament will have to demonstrate this tomorrow.

A word now, Mr President, on the agreement on budgetary discipline. Even though it may be legally unassailable in terms of form, as it now stands it represents, I am convinced, not only what might be described as a sideswipe at the European Parliament but the sordid expression of a logic based on book-keeping principles to the exclusion of all else.

A financial framework imposed each year by the Council alone according to virtually automatic rules can never be a substitute for the responsible, concerted selection of common policies and programmes.

(Applause)

Mr President, Mr President of the European Council, the proposal made by the Commission in February 1984 remains, in my view, the only proposal on this subject which is reasonably balanced, the only one which takes account of desirable developments in Community action, the only one which shows true respect for the powers of the European Parliament.

This is an important matter, Mr President, in my view. Why? Because our institutions are still at an early stage of their development, the stage during which traditions and practices are evolved which will later acquire obligatory force. In this Europe *in statu nascendi* which still lacks traditions, the need to show respect for our institutions is greater than it will ever be. It is wrong to allow one's reactions to be governed exclusively by legalistic considerations. When dealing with accountants who are far too concerned with the short term, due weight must also be given to a logic of long-term development.

The Council of Ministers is inviting you to a meeting before it fixes its frame of reference. I should therefore like to make the following suggestion to Honourable Members. Having received this invitation, Ladies and Gentlemen, why not start by working out your position on the basis of a proposal from the Commission, and then reply? Then, and only then, will the Council show whether it is preparing itself, or ready to prepare itself, for a real debate on Community priorities and the basis on which they should be translated into budget aggregates or has made up its mind to ignore the powers of Parliament and treat this Assembly, which has been elected by universal suffrage, as a consultative body.

The further we depart from the institutional balance intended by the Treaty, the greater will be the risk of a drift away from the *communautaire* to the intergovernmental (the constant threat, our perennial enemy), a drift away from the solidarity of a *de jure* Community towards the unpromising ways of alliances and balances of power.

This point, which some people may think I have put rather harshly, can serve to illustrate what I have to say on the second issue, Mr President. This is the subject of integrated Mediterranean programmes, which some people, even at a very high level, appear to have suddenly discovered in Dublin, although they have been mentioned for years in the communiqués issued after European Council meetings.

No, this is not a new subject. As you will doubtless remember, Ladies and Gentlemen, it goes back to the time when the Community addressed itself to the problem of reforming the common agricultural policy, from which it was difficult for the Mediterranean regions to benefit, because of their structural backwardness. It goes back a very long time.

Having established that adjusting the balance of the EAGGF Guarantee Section would not be enough, the Commission proposed the organization of integrated structural programmes for the Mediterranean regions, which were necessary in order to enable them to make up the development leeway and all the more fully justified in that the economies of these regions would be affected directly by the accession of Spain and Portugal to the Community, which was then thought to be not far off.

That, Ladies and Gentlemen, was contained in the reply to the mandate of 30 May.

(Applause)

And it was as long ago as the London summit that President Papandreou announced his position on integrated Mediterranean programmes. If I mention this, it is only to refresh the memories of those who, apparently, do not always read the whole of the communiqués that they sign.

The Stuttgart European Council, in June 1983, stressed its appreciation of the work that the Commission had done on integrated Mediterranean programmes. It invited the Council of Ministers to reach agreement on practical decisions in time for the European Council which was to be held in Athens in December 1983, decisions to quote the communiqué, on 'solutions to allow Greece to become fully integrated into the Community system'. The overall budget for this, 6 billion ECU for the three Member States concerned over a 6-year period, was clearly established at that time, whereas the original proposals had been for roughly double this figure. It had therefore been arrived at on the basis of precise quantification, and was not a political or fantasy figure as some people have made out.

The draft Regulation submitted to the Council of Ministers in August 1983 was the subject of detailed discussions. The European Parliament, for its part, lent its full support to this text. That is another thing which seems to have been overlooked in Dublin. The

European Council itself renewed its commitment in Brussels last March. Again I quote: 'Integrated Mediterranean programmes will be launched for the benefit of the southern regions of the existing Community, so as to be operational by 1985'. To read on: 'Their purpose will be to improve the economic structures in these regions so that they may be able to adjust under the best possible conditions to the new situation created by enlargement. They will also prepare the ground for solution of the problems raised in the Greek memorandum'.

Mr President, Ladies and Gentlemen, what could be clearer? And yet, although it was in November 1983 that the Commission's detailed financial statement on integrated Mediterranean programmes reached the Council's table, the subject was not discussed once by the Council between 1983 and the Dublin summit. In the circumstances, which is the more extraordinary, the European Council's surprise or the reaction from the Greek Prime Minister?

I am not in the process, Mr President, of pleading Mr Papandreou's case for him. Moreover, let me make it absolutely clear that I disapprove of the linkage that he is seeking to establish between this issue and the subject of enlargement, just as I disapprove the linkages of all sorts that other governments make between the most diverse issues.

(Applause)

Every issue should be treated on its own merits in this Community, which does not just come to life on the occasion of meetings of the European Council but goes on all the year round.

I am afraid, Ladies and Gentlemen, that these efforts to make up packages are likely to leave the Community tied up in knots.

The point that I am trying to make today is simply that commitments entered into should be honoured, and honoured towards each and every Member State of the Community. Neither a devil-take-the-hindmost attitude nor abuse of the right of veto — by any country — is any substitute for solidarity and mutual trust.

Tomorrow, Mr President, I shall have more to say about the grounds for hope and the fears that I have been left with after the four years during which I have had the honour to be President of the European Commission.

Before concluding these brief comments on the European Council in Dublin, I should like to say a few words about the institutional question, and more particularly about the Dooge Committee.

Mr President, Ladies and Gentlemen, on numerous occasions, notably at the time of the 25th anniversary of the Community, I had called for such a committee

Thorn

to be set up, to work out the basis for the second stage of European development. As you will remember, I warmly welcomed the decision taken at Fontainebleau, and I have been even more delighted at the determination with which the Dooge Committee has seemed to be making progress these past few months. I imagine that your Parliament, the European Parliament, will also have seen this as confirming the accuracy of the political intuition which prompted you to draw up and then adopt the draft treaty on the European Union.

It is my impression, Ladies and Gentlemen, that the period ahead is going to be one calling for a great deal of persistence and vigilance. It will be for the Parliament in particular, but also for the incoming Commission, to ensure that the European Council's table does not once again become encumbered with the problems of the day, so that it will have time to give its attention to the political future of the construction of Europe, instead of preparing this scheme, like so many before it, for a first, second or third class burial.

I have to say, Mr President, that I am extremely disturbed at the way in which the integration process has been delayed. This has already meant that it will not be possible to clarify the situation before the negotiations on accession are completed, which had been the intention — and this is the important thing — of Parliament and the Commission.

These, then, are the main lessons that I draw from the European Council in Dublin.

There is an urgent need, in my view, for the European Council, which is an institution of great prestige, to resume its true mission, which is to provide the political driving force and to lay down general strategy.

Mr President, this means that each of the Community institutions must perform the tasks which the Treaties assign to it, and to it alone. The Parliament and the Commission have always tried, with greater or lesser success, to discharge their duties, in the case of integrated Mediterranean programmes as in all other areas. All, and I mean *all*, the institutions are collectively responsible for Europe's future, so that any disagreements among them can only be detrimental to the cause behind which they should be united.

Let us hope that this will be appreciated by the European Council and the Council of Ministers, to which we look for government.

(Applause)

IN THE CHAIR: MR MØLLER

Vice-President

President. — I should like to thank the President of the Commission for again giving us an inspiring

speech. Mr Thorn will make his farewell speech to Parliament tomorrow, but I have no doubt that he will always remain deeply committed to the European idea and prepared to defend the interests of Europe.

Mr Arndt (S). — *(DE)* President FitzGerald, President Thorn, Mr President, media reactions to the Dublin summit remind me of the view from the summit of Mont Blanc during bad weather. Everyone's in a fog. No one is sure whether a final decision on the entry terms for Spain and Portugal has been reached or not. Is the hard-won compromise on wine definitive, or are there to be changes? Has a decision on the Integrated Mediterranean Programmes been reached in principle or not? To be quite honest, I myself am unable to decide whether Dublin has brought progress or not.

A colleague with a wealth of political experience has advised me to look on the bright side. He says it sounds better to say that a bottle is half full than half empty. We have come to be very lukewarm in our evaluation of summits. At the 1981 summits first the United Kingdom Government blocked the entire fisheries policy, and then the plans to reform the CAP and Community financing came to nothing. The three 1982 summits were notable for the fact that again the problems of Community financing and the so-called mandate of 30 May 1980 were postponed on each occasion. In 1983 the financial questions were again shelved in March and June, and the Athens summit in December was dramatic.

If one remembers all this, then the Fontainebleau summit was a success by comparison, although a number of bad compromise solutions carry the seeds of new conflicts within them. Given the failure of the summits of earlier years one must, all in all, be satisfied with the Dublin summit. Especially as it is not as yet altogether clear whether the Greek protest over the Integrated Mediterranean Programmes will preclude all further discussion of enlargement, or whether it is merely a threat to torpedo enlargement if Greece deems it necessary.

Despite this cautiously optimistic assessment I will not hide the fact that we are unable, either on the subject of agricultural reform and financial reform or on that of further European development, to acclaim any notable progress. The great handicap of the European Council was again very evident.

Community ministers regard the European Council not as the institution responsible for taking policy decisions but mistakenly as a kind of 'supreme court of experts'. Thus in Dublin ten heads of state and government, representing the strongest economic bloc in the world, had to consider problems of the wine industry as if they were trained vintners or wine chemists. This again brought out the pettifoggery, small-minded haggling which gives the European Com-

Arndt

munity such a bad name among its citizens. It seems that everyone is concerned only to get as much as he can for himself, without understanding, in view of the great economic, ecological and security challenges which face us, that common solidarity alone will gain the greatest benefit for each of us and thus for all of us.

Mr President, I have repeatedly told the Council and the Member States of the European Community on behalf of the Socialist Group that enlargement of the Community to include Spain and Portugal is for us an act of political will to establish and secure democracy in Europe, and one to which these two states are entitled.

(Applause)

Enlargement of the Community to include Spain and Portugal is one of the most important matters we have to decide on at present. We insist that at all events the preparatory work should press on as fast as possible so that Spain and Portugal can sign by March at the latest and the accession date of 1 January 1986 can still be met. We also call on our Greek friends to do their bit in ensuring that the negotiations are not blocked. We do this for the precise reason that we understand the Greek prime minister's position on the Integrated Mediterranean Programmes. More than two years ago this House underlined the close relationship between the Integrated Mediterranean Programmes and the proposed accession of Spain and Portugal.

My Group has repeatedly pointed out that a new strategy was needed to solve the structural problems in the Mediterranean area as a whole — including Spain and Portugal. My Group is convinced that those who for political reasons are in favour of enlargement to include Spain and Portugal must also be in favour of the Integrated Mediterranean Programmes.

President FitzGerald, President Thorn, Mr President, with the existence of nearly 13 million unemployed in mind the Dublin summit also concerned itself with economic policy. But what message have the ten Member States to send to the young unemployed who have been waiting for years for a job? They talk of tax concessions for the higher income levels, of investment incentives to help the economy. They call for a reduction in labour costs — i.e. jobs — and they call for greater entrepreneurial initiative, particularly among young entrepreneurs. And yet 25% of the European workforce under 25 are unemployed. That is the grim reality. Where is the great political initiative by the European Community? Where is the great political initiative by the governments of Europe to give these young people hope for the future?

We socialists insist that something must be done first and foremost to create jobs for young people. That is one of our prime tasks in Europe today. We have proposed a programme on the subject, but we have to

admit that virtually nothing has been done by the Community so far. In this programme we call firstly for the promotion of new technology and a research and innovation policy consciously aimed at creating new jobs, particularly for young people. Secondly we ask that existing work be distributed among all workers by means of a sensible shortening and rearrangement of working time. Thirdly we call for public and private investment, aimed not simply at quantitative growth but at qualitative growth. This means a new industrial policy which will protect our natural environment. We demand more support for small businesses, cooperatives, craft undertakings with the aim of creating new jobs. Fourthly, we call for more funding of high-yield, high-quality training and education. We want aids for the establishment and financing of training centres for young people specializing in high technology subjects. We democratic socialists have as our objective that the European Member States should set aside about one per cent of their gross domestic product for investments which will lead to the creation of new jobs.

Allow me in this context to make one basic comment on the state of the European Community. The resolutions reached by the Dublin summit again show that this Europe is principally a Europe of farm subsidies and free trade areas. It is a Europe of entrepreneurs and enterprizes. We, however, are fighting for a Europe of the people, which puts the interests of the workforce first. All those who truly wish for progress in Europe must realize that the European idea can only develop further if the majority of Europe's citizens, if its workers recognize that it is not only an economic Community, but their own Community.

Our discussions on 'budgetary discipline' prompt me to make another comment on the role of the Council and the European Parliament. The heads of government of the Member States and the councils of ministers must understand once and for all that there is no point in trying to reach decisions over the heads of us parliamentarians as if this Parliament had no direct mandate from the European electorate. The Council decision on budgetary discipline thus has the beginnings at least of an important resolve. In my view it reflects the recognition that such questions can only be solved by joint endeavour.

Parliament ought now to make clear that it too wants budgetary discipline, true budgetary discipline with a reduction in expenditure for the production of butter mountains and milk and wine lakes, true budgetary discipline with strict supervision of spending and bureaucracies. But budgetary discipline also means that priority must be given to funding the important things, whilst the unimportant things must wait. The members of the Socialist Group will be vigilant to ensure that this is done.

Mr Klepsch (PPE). — *(DE)* President FitzGerald, President Thorn, Mr President. I should like to begin

Klepsch

by thanking Prime Minister FitzGerald most warmly for his report and above all for his work over the last six months — particularly at the Dublin summit.

We are grateful to the Irish Taoiseach in that he managed at this summit to achieve a breakthrough in at least one question which is of great importance to the Community, namely the terms of entry which the European Community is to offer in its negotiations with Spain and Portugal. This is no mean achievement. We know how much hard work it involved.

But this also prompts me to make a critical observation. Where have we now got to with summits and their *raison d'être*? When the European summits were created their objective was to discuss and set in train ongoing initiatives for the European Community. I don't wish to be unfair — there were two such initiatives in Dublin, which I shall deal with presently. For me, however, the decisive point is that a question which should in my view have been solved by the agriculture ministers, i.e. how the Community is to settle the wine problem in the context of the entry terms offered to Spain and Portugal, ought to have meant only one day's work for the heads of government.

This shows us, however, what our summits have come to. They have become a kind of patching-up forum for the Council. Let me say a few more words regarding the Council. We ought perhaps to consider whether, in view of the wealth of difficulties facing the European Community, it is actually right to use the foreign ministers as coordinators for all these problems — people whose time is in any case fully taken up by problems on the overall world scene and who then have to fit in these meetings in addition to others. I think we should seriously reflect whether this is the right construction for the extremely important organ of the Member States which constitutes the cornerstone of the Community.

In the same context there is also the other, as yet unsolved problem of the coordination amongst themselves of the various ministerial councils. I would also like to say a word or two on this. First, however, I am glad that the negotiation terms for Spain and Portugal are now on the table. Drafting of the entry terms has taken a very long time, though, so that very little time now remains for the negotiations themselves. But these negotiations must be conducted extremely carefully. Parliament wants Spain and Portugal as members of the Community, but we want no repetition of earlier events whose consequences are still causing us problems. We don't want the negotiations to be imperfect, incomplete, with too much being left open and then dominating the Community's normal business afterwards. And so we would call on the Council today, in the context of the mandate imposed by the summit, to conduct the negotiations carefully and in depth, to get results and not to leave all the major questions open.

I must say a word or two on the side about the Integrated Mediterranean Programmes here, and parti-

cularly to Mr Papandreou. After what President Thorn has just said, I can only smile. I have heard today that before Dublin nobody had raised the question of the Integrated Mediterranean Programmes at a summit, something which Parliament had constantly called for, and so it is naturally fascinating to see that it has finally occurred to those responsible, at the eleventh hour, before Spain and Portugal join, to think about this important item of the Community's political work. It is certainly no fault of the European Parliament that this question is only now receiving attention.

I should like to add a word on budgetary procedure. I see this also as a chance for Parliament to make clear to public opinion and the Council that we must strive together to overcome the shortfall in democracy in the European Community. The European Community too has a democratic supervisory body of the kind we have in each of the Member States, namely the European Parliament. Parliament endeavours to fulfil its supervisory duties. But we see with some amazement that the representatives of the member governments, all of them elected on the basis of a democratic structure and active in their own national fields, constantly attempt to set up within the European Community structures of an oligarchical nature — there is no other word for it.

The growing inability to take decisions is the fault not least of the increasing influence of the bureaucrats and the decreasing influence of the politicians at Community level. Budgetary discipline is thus an excellent starting point for joint reflection on the problem. We have a common budgetary authority. Parliament will on no account allow itself to be relegated to the status of a consultative body whose recommendations are listened to and followed — or not, as the case may be. I think this has to be said on behalf of the whole House.

But for me the decisive point is that we need a democratic structure in the European Community and we need to stem the uncontrollably spreading influence of bureaucratic structures. For this reason Parliament is not prepared to see its powers curtailed. On behalf of my Group I wish to thank the governments of Italy, Luxembourg and Belgium which have made great efforts to uphold the powers of Parliament in the matter of budgetary discipline.

On a positive note, I have already said that I welcome the Council's unanimity in its assessment of the economic situation and on the measures to be taken pursuant to the Commission's proposals. My Group welcomes this programme, for there is no point in simply saying all the time that we must solve the problems of employment policy. What is needed are concrete Community measures all directed towards the same end. The Commission proposal is a very good starting point for this, and we are happy to hear that there was broad agreement on it amongst the heads of government.

Klepsch

The problems of the Community's economic policy boil down to the further development of economic and monetary union, innovation, and the questions of how we are to cooperate in order to remain competitive on world markets and how we are to carry out structural reorganization in order to create the new jobs which are so urgently required.

We note with regret that the interim report of the Dooge committee, which we consider a good one, was considered by the Council only in passing. But we also note that there was a willingness to discuss on the basis of this. Parliament should voice its opinion on the matter clearly before the decisive summit in Milan. We too have put forward our proposal for the further development of the Community in the form of the decision passed by this House last summer and forwarded to all the national parliaments, viz. our draft treaty. We hope that our expectations for an ongoing conception of the Council — of the governments — inspired by the work of the Dooge committee, will be matched by our achievements and crowned by success.

Let me now touch briefly on two points. One is the 1985 budget which we have been discussing this morning. We had really hoped that the summit would provide a breakthrough for the Community on this. I know that the Irish Taoiseach did his best to get results on this matter too. It is characteristic of the summit that it has again shelved this most pressing Community problem and proposes to wait until autumn of this year before really solving it. This will again be the eleventh hour — not the best hour for good solutions.

On behalf of my Group I should now like to thank Prime Minister FitzGerald for having looked after this Community like a father and not like a stepfather, which is the treatment we have come to expect from the Council. We would also like to say that this Dublin summit was a success — but successful in an area where we would once have deemed success to be automatic. We have now reached a point in the Community where agreement on a common negotiation package, in view of the countless problems facing the Community — and I will not name them all again — can already be hailed as an outstanding achievement.

My Group will do its utmost to help solve all the questions raised. But we stand by our contention that the citizens of Europe have sent us here to supervise the exercise of power on their behalf. And they have sent us here so that we should strive for the further development of the European Community. This will remain our principal objective!

(Applause from the centre)

Sir Henry Plumb (ED). — Mr President, Mr President-in-Office of the Council, Mr President of the Commission, in June of this year many of us had the

pleasant task on that occasion of congratulating the French presidency upon the successful Fontainebleau European Council. Today, I would like similarly to congratulate the Irish presidency on the Dublin Council, which I think has marked a substantial step forward in the development of the Community.

For the past five years the negotiations between Spain and Portugal on the one hand and the Community on the other have dragged on unsatisfactorily. It was not merely the negotiations which were difficult, but rather that negotiations were impossible as long as the two sides were unclear what their own negotiating positions were. The Dublin Council has done the Community a service in clearing away some of the fog that Rudi Arndt spoke of and laying the groundwork for a Community position on the basis of which, I am confident, that Spanish and Portuguese accession can become a reality.

Over the past year budgetary questions have often dominated the agenda of the Community, as they may well in the future. These continuing wrangles over money have sadly brought the Community into disrepute in the eyes of many Europeans. The Community's inability to engage in successful negotiations with Spain and Portugal were similarly, in the eyes of many, an example of the slowness and the inability to compromise which are the continuing dangers to progress of the European Community. I believe that the results of the Dublin Summit are an example of the way in which the Community's problems can be solved.

I am particularly encouraged by the progress made on the problem of Community overproduction in wine. Mr Klepsch said that these problems that so often occur should be dealt with and resolved by Agriculture Ministers. But, on this occasion, it was a major issue and at least some agreement was reached.

And so, as a Community, we have faced up to the undeniable difficulties posed for certain of us by Spanish and Portuguese accession and in a constructive spirit we have managed largely to resolve them. Even the problem posed by the enormous Spanish fishing fleet is capable of solution if we bear in mind that Spain has traditionally fished outside its own waters and will wish to continue to do so after accession.

I am confident too that the Greek problems which have arisen since the Dublin meeting can be resolved in the same way; and I appeal to our Greek colleagues to be reasonable on this overall matter.

I am not hostile, Mr President, to the idea of some separation between the temperate agricultural product of the north and that of the Mediterranean. It is all a question of balance, and it is a question of fair sharing of burdens and of benefits. I believe that integrated Mediterranean programmes should be realized basically through existing Community funds. We must res-

Plumb

pect the importance of budgetary discipline and we must respect the importance of market management.

Until now, I have concentrated on the Community side of the negotiations.

When Spain and Portugal join the Community they will bring with them an important missing part in that European jigsaw. The political reasons which make Spanish and Portuguese accession so necessary are familiar to all and they need not be repeated. The strengthening of democracy in both these countries and their integration into Western Europe are clearly essential goals for the Community.

One notes also in the report Mr FitzGerald gave us the other useful work that was carried out in Dublin. I particularly welcome the aid committed to Ethiopia and to other countries, in particular the 1.2 million tonnes of grain next year. The people of Europe rightly expect that we will, where we can, use our over-production to help those in desperate need. This has become one of the most important issues of our time.

I particularly welcome, Mr President-in-Office, your comments on the importance of economic recovery and the importance of recognizing the whole question of unemployment and particularly among young people. Creating a Common Market, bringing down those barriers to trade is obviously essential if we are going to have a true and united Europe.

Mr President, a countryman of mine, George Orwell, predicted terrible things for Europe and the world in 1984. Looking back on the year we see that his fears were exaggerated. At Fontainebleau and Dublin the Community substantially removed at least two problems which had plagued it for many years. Therefore, I would like to thank the President-in-Office, Mr FitzGerald, for the part he has played in making progress particularly during the last six months. I thank also Mr Gaston Thorn for his efforts and those of his colleagues in using all their endeavours to make progress in the interests of European unity.

(Applause from the European Democratic Group)

Mr De Pasquale (COM). — *(IT)* Mr President, the trumpets were ready at Dublin to sound a victory fanfare, but they could only play muted, as we can see from President FitzGerald's speech and the speeches also of Mr Klepsch and Mr Plumb. The weary ritual of declarations of confidence and family photos failed yet again to conceal the comatose state of the Council's political initiative. The crisis has grown more acute, and the governments, when obliged to take a decision on particular questions, end up, as at Dublin, with solutions that are both late and confused. This is what happened over the question of the wine industry, which has been aggravated over the years by Com-

munity regulations to the point where the position is now desperate, and a compromise has been agreed which I cannot give an appraisal of now, but which certainly presents serious disadvantages and does not resolve the problems. Half measures do not remove problems, they only increase the damage, and so we have come to a new conflict over the budget and budgetary discipline, the gravity of which — believe me, President FitzGerald — none of us underestimates.

In such a context, despite all good intentions, the Dublin Summit could not produce favourable results. It should have been the Enlargement Summit, and it was not; and this is really not — as they would have us believe — a passing incident. The truth is very different: for years the accession negotiations have been conducted on the shifting sands of technical devices, dragging wearily on beset by particular controversies that are still, today, largely unresolved. A quarrel amongst the needy has been kept going when it could have been avoided if, from the very outset, there had been a clear political and economic decision. What was necessary, as we have always maintained, was to fit the irrelinquishable need for enlargement into a programme for the renewal of the Community's policies which, as we know, have had a negative impact on the Mediterranean regions in terms of the growing gap between incomes, low productivity, greater inflation, unemployment and low levels of vocational training.

If nothing were to change, enlargement would for the most part open up new markets to the large European exporting firms, making the imbalance still worse (and this is what certain powerful groups in Europe definitely aim to achieve). We Italian Communists on the other hand are advocates of enlargement for opposite reasons, and we call for it to be brought about on the date that was planned, because we want a Community that is not only stronger from the political standpoint but also more balanced from the point of view of the economy. For us, the objective to be pursued is the strengthening of the economy and production of the entire Mediterranean area, through a recovery policy agreed within the Community and concentrated on the Mediterranean area. For these reasons we have appreciated for its true worth the position taken up in Dublin by the Greek Prime Minister, with his strong, timely reminder of the need, when enlargement of the Community takes place, to put into effect, in the absence of any new policy, at the very least those measures already decided on for the Mediterranean regions. The campaign that has been built up around this position reflects uneasy conscience, disappointment, surprise, and shows Papandreou as a spoilsport, perhaps because he has spoilt the sport of hypocrisy. But was it not that same European Council, as President Thorn reminded us, 4 years ago, that made provision for these programmes in the famous mandate of 30 May? Was it not the European Council at Brussels that accorded — I quote the exact words — 'absolute

De Pasquale

priority' to approval of the Mediterranean programmes and then, subsequently, at Fontainebleau decided that they were to be quite definitely launched in 1985? How can we now show surprise, and come down out of the clouds, as if we had never heard it mentioned? Our Parliament is totally committed, passionately and with integrity, to supporting this proposal, seeing in it the start, albeit modest and insufficient, of a reversal of the trend. Parliament has called for integrated, coordinated programmes, with a specific budget allocation, additional to the allocation of structural funds, so as to guarantee at least a modicum of effectiveness. But it is not only a question of money, which is what Prime Minister Thatcher and Chancellor Kohl show that they think it is. We do not believe that we should follow the English teaching, and fight to the last scudo over the skin of the Community. For us it is important to control the volume and quantity of resources to be used for restoring equilibrium, but it is still more important to alter the nature and quality of the machinery of integration. The Mediterranean programmes are a timid step in this direction. To approve them by March, conforming as far as possible to the view expressed by Parliament, is a duty that the Council cannot evade. We hope that during the Italian Presidency positive conclusions can be reached both as regards enlargement and as regards the programmes, and that a new space can be opened up in this way for a policy of peace, development and cooperation in the Mediterranean.

(Applause from the Communist and Allies Group)

Mrs Veil (L). — *(FR)* Mr President, I wish first of all to address the President of the European Council to tell him that we in the Liberal and Democratic Group thank him most sincerely for the efforts which not only he but all members of his Government have made to conduct the affairs of the European Community under the best possible conditions during the six months of this Irish Presidency. It has proved to be a difficult presidency from all points of view, since although many problems were thought to have been settled at the Fontainebleau summit it very soon transpired that a great deal of vagueness remained and there were many difficulties of interpretation which meant that there were complex problems to be tackled by the Irish Presidency. I need only mention, by way of example, the budget and the supplementary budget, problems which have been settled after a fashion — even if the solutions found have not been entirely to the satisfaction of the European Parliament.

Above all I should like to stress that the Third Lomé Convention was signed under the best possible conditions, whereas there was reason, in a difficult international environment, to wonder whether there would not be last-minute difficulties. It is therefore a message of gratitude that I have for the President of the European Council.

The Dublin meeting, however, has left us in the Liberal and Democratic Group in a very pessimistic mood. When Dublin came up, you were confronting three major difficulties. A number of matters, such as the wine problem, had been held over until that meeting, where they had no business to be on the agenda. They should have been settled properly by the Ministers for Agriculture. One really wonders why ten Heads of State or Government should be concerning themselves with the problems of the price or the extent of distillation. If only they had taken the opportunity offered by this wine lake to prove the veracity of the saying 'in vino veritas'! But there was not even this consolation, and this was anything but the summit of truth. Is it a matter of distrust of their ministers? I do not want to believe that, but in fact all the conceivable explanations are bad.

The second difficulty was that the problems were so closely interlinked, or rather that such commitments had been given by certain governments that they really intended to yield no ground beyond a certain limit of expenditure, especially bearing in mind that dates have been set in advance, as in the case of enlargement, and that it will be impossible to make any progress.

Given these difficulties, what were the results? As others have already pointed out, it is difficult to take stock, not least because the tendency of members of small clubs to self-satisfaction and self-congratulation is such that it is difficult to be sure what the true situation is. Even so, we immediately had a number of misgivings; and what we have heard from President Thorn today has in fact only confirmed what I myself said in this Chamber a few months ago on the subject of our grave apprehension about specific points which condition the future of the Community.

First of all, regarding the difficulties outstanding over enlargement, particularly because sufficient resources have not been allocated and the preliminaries have not been sorted out. Perhaps they have for winegrowing, but they certainly have not for fisheries. And I refer to the problem of expenditure advisedly, even if the strait jacket which is now to be put on the Parliament, with the measures introduced in the interest of budgetary discipline, is already much tighter than intended by the Treaties, according to a proper interpretation.

Another problem and another preliminary: wine making. Compromises have been asked for. They have been agreed to, by many wine growers. But if these compromises have been agreed to, there should be something in exchange, and we find it very disturbing that Europeans in certain categories — and more and more of them — are now being asked to accept the limitation of policies applied in the past and to forget what they had reason to believe were established rights. They would doubtless find these compromises acceptable if they could see that they fitted into an overall perspective, and I stress this because there are no citizens who are more committed to the construc-

Veil

tion of Europe than our farmers. But they see nothing of the sort.

There is absolutely no overall perspective as far as agriculture is concerned. Much more serious, however, is the lack of any overall perspective for the future of Europe. What emerges from the European Council in Dublin is that it dealt with everyday problems — important problems, admittedly, but specific nevertheless — and tackled none of the major problems which condition the future of European integration. The Council had the opportunity to do so presented to it by the report from the Dooge Committee. It hardly made a start. Even the resolution eventually adopted is more timid than the already very timid draft that had been prepared. How, in the circumstances, can the citizens of Europe still have any hope or feeling that the Heads of State or Government who are responsible for the affairs of their countries are really trying to achieve progress in Europe? We now know the outcome: in the field of political cooperation, which provides a good symbolic representation of what European union ought to be, the resolutions which were adopted, against the background of a really very complex international situation, are overwhelmingly sad and banal.

Even so, some people found consolation by telling themselves that at least there was the aid to Ethiopia. We have heard what the President of the Commission had to say on this subject. Once again it will take a supplementary budget if the commitments given by the European Council are to be honoured. I should therefore like to repeat a very sad comment which I heard in this connection: they have taken from the starving in order to give to the dying. Let us hope that this will not soon be applicable to the whole of Europe!

(Applause)

Mr de la Malène (RDE). — *(FR)* Mr President-in-Office of the Council, ladies and gentlemen, European Councils come and go, and I am afraid they all resemble one another. The one in Dublin was no exception to this rule, displaying the characteristic faults. I should like to discuss two of these faults briefly.

First of all, European Councils should confine themselves to matters within their competence, and this they are not doing. Like its predecessors, this Council in Dublin spent much of its time dealing with matters which were not its concern, a case in point being regulation of the wine-growing sector, of which it made a pretty bad job, a point to which I shall return in a moment. As in the past, then, this European Council dealt with matters which were not its concern instead of getting on with its real business.

Secondly, this European Council, like previous ones, was initially presented as a success. Naturally, when

we are told that a European Council has been a success, we are happy to believe it, since it gives us pleasure, but we very quickly realize — this time as on previous occasions — that, unfortunately, there has been no success at all.

I should like to say a few words about these two aspects of European Councils, these two defects. First, a procedural error.

We have often said in this House that care should be taken not to allow the European Council to turn into an appeal body for the Community institutions. There are many disadvantages in such an arrangement, the first of which is that the European Council does not perform its proper rôle — an important one — and concerns itself with other things. It becomes bogged down in details of which, not surprisingly, it does not always have a very firm grasp. Relations between the Community institutions become distorted, the Commission can no longer play its rôle and, because of these procedural errors, the Community as a whole proceeds by fits and starts. Deadlocks arise, no further progress can be made. Then the situation is dramatized and a European Council meets. A solution is found, or not as the case may be. More often than not nothing conclusive is achieved, but these constant dramas are not conducive to the smooth running of the Community as a whole.

The second defect of European Councils is to be found in their attempts to cover up the truth. I quite understand that each President-in-Office of the Council tries for reasons which have to do with domestic politics or personal political careers — let's say domestic politics, to be kind — to make sure that any European Council over which he has presided is presented to public opinion as a success, and of course the media play their part in this. He becomes the object of envy, for a short while at least, but a few hours or days later reality returns to the surface and — this has to be emphasized — the facts are not as they have been presented to us. The Council has functioned as an appeal body, but it does not even fulfil that role, since its decisions have been disavowed or blocked.

These meetings of the European Council earn no credit by raising false hopes and disguising the facts, Mr President-in-Office, and Dublin was no exception.

Turning now to the subjects of discussion, we find that there was much talk of enlargement. To judge, once again, from the media coverage and from what you were saying earlier, I understand that you talked at great length about enlargement and only very briefly about the problems of international policy, although the latter are given great prominence in the communiqué. However, as Mrs Veil has just said, the contents of the communiqué are so devoid of meaning, despite its length, that you probably thought that it was not worth your while spending much time on this subject in your speech.

de la Malène

Enlargement was therefore the subject of extensive discussion. And wine was one of the main topics. An agreement was reached, as we were informed with massive publicity. I have to say that I do not get the impression that the farmers in the Community regard this as a good agreement, assuming that it is a real agreement. But let us suppose that agreement has been reached. I have been told by winegrowers that the whole system is based on compulsory distillation, at 50% of the guidance price. Let me point out that the price in Spain is 8 francs, that the guidance price in the Community is 23.5 francs, and that the return on distillation at 50% of 23.5 francs will be about 11 francs, so that our friends in Spain — and more power to their elbows — will already be making more as a result of this mechanism which was devised by the European Council in Dublin, but has already been blocked, perhaps for the best. In the event, this agreement, which appears to have given no joy to the wine-growers in the Community, was blocked the very next day or the day after because it was remembered — happily — that commitments — more binding than promises — had been entered into on the integrated Mediterranean programmes. On the subject of these programmes, the Council failed to reach agreement. It was said that this subject was important, essential, crucial, and that it would come under consideration again in the immediate future. But care was taken not to mention how much finance would be devoted to it. That is the sticking point. It is one thing to say that integrated Mediterranean programmes are important but, bearing in mind the current financial situation in the Community, if no figure is put on the amount to be devoted to them, such talk is worthless. Since no serious commitment has been given on the problem of integrated Mediterranean programmes, we are back, so to speak, to square one.

On fisheries, another important aspect of enlargement, there appears to have been no discussion whatsoever.

To conclude on the subject of enlargement, which was a vital issue in Dublin, can it be said that any progress was made? As we have seen, a very strong political will to advance towards enlargement did emerge. Of that there is no doubt. But was this will to advance, to make progress towards enlargement come what may, reflected in a will on the part of our governments to get on with what needed to be done beforehand, organization of the integrated Mediterranean programmes and many other things besides? Our distinct impression was that it was not. Is there a readiness to share the costs of enlargement equitably? We do not think so. We find this most regrettable. Regrettable for the Spanish and the Portuguese. Regrettable for the best interests of the Community. Regrettable for the entire Community. We have not forgotten the first enlargement, and I have seen what it has led to. Now, because there is a very strong political will in this direction, we are heading for another enlargement, regardless of cost. The problems will come later. How will our poor Community stand then — and in this I

include the Spanish as well as ourselves? It will not be in the happiest of circumstances.

There was also discussion, Mr President, of the competence of the Council, the competence of the institutions and fresh impetus for the Community. This is altogether a better subject. But it has been deferred until March and June. You said just now that it was a good starting-point. It can be called whatever one likes. I have no objection if deferring subjects to the next summit is described as a good starting-point. I am perfectly happy, as long as we all understand what is meant by a good starting-point. Also deferred was the Dooge Committee, covered in flowers.

The Dooge Committee — and the text which you have all read gives great prominence to this — rightly emphasizes the increased role of our Parliament. But what did we find, just as we were taking our hats off to the proposals of the Dooge Committee? We found that a decision had been taken on budgetary discipline, and that the effect of this decision was to stifle Parliament. Just when the starting-point on the course plotted by the Dooge Committee was being established, budgetary discipline was introduced.

During the last three weeks we have seen three conciliation meetings with the Council. One on the legislative, or paralinguistic, powers of Parliament, one on budgetary discipline, and one on the budget. What have these three meetings achieved? Three times nothing.

What a contrast, ladies and gentlemen, between the pious words about what is going to be done tomorrow, or the day after tomorrow, about the Dooge Committee proposals and the day-to-day reality of the Council's position on institutional development! This is another contrast which fills us with misgivings for the future.

The President of the Council ended by wishing us a happy Christmas. I would say to him that he has not put much in our stockings, and that giving presents is more than a matter of good wishes and words. Presents have to be paid for, Mr President! It will take more than the words and wishes of the European Council to build Europe! There must be a readiness to pay the cost of building Europe. We, who are Europeans, know that Europe will pay a hundred times over. But there has to be a willingness to make sacrifices first of all. There seems to be no such willingness in the European Council, and this is why we have to say, regretfully, that our stockings are empty and that this Council in Dublin has brought us very little.

(Applause from the Right)

Mr Piermont (ARC). — *(DE)* Mr President, the Council considered the interim report of the Dooge Committee at the Dublin summit. In his brief reference

Piermont

to it the Council President makes no mention of the fact that the Irish representative voted against the adoption of the section headed 'security and defence'. The section in question states as its overall objective that Member States should have a greater awareness of their common interests in the field of security. In other words, the European Community's implicit role as civilian cornerstone of the western military alliance is to become an explicit one; the civilian Community is to be expanded to form among other things a military — militarized — Community.

I say militarized deliberately, for the minimum programme to which Ireland too will be committed expressly provides for the joint conception, development and manufacture of weapon systems and general high-technology equipment — and for European technological supremacy generally in industry too, i.e. by means of armaments research and development. So nine EC countries continue to worship the god of war and are cold-bloodedly expanding the arms industry.

But that is just the minimum programme. For the committed European unionists the interim report provides further fields for military action — in addition to NATO the WEU. The WEU's efforts towards cooperation on arms will cause arms production to shoot up. It will increase the pressure on countries which still operate restrictions to liberalize arms exports to the Third World. Lastly, the arms lobby which has increased its influence in all the member countries of the WEU will use that influence to inflate defence budgets instead of cutting them.

This is one aspect of the matter. Another is the obligation to help other members which the WEU Treaty contains. This could in the twinkling of an eye drag Member States into a war, if just one country were to get involved in a military adventure, and it would be worldwide, for the WEU is not limited to western Europe! And so it is the ideal instrument whereby the relevant countries of Europe can retain their imperialistic position of military supremacy, and control the sea routes which feed their voracious appetites for vegetable and mineral raw materials, so that in case of crisis they are able to intervene directly on the spot.

The WEU could, not least, become the back door through which the Federal Republic gains access to nuclear weapons.

We thus call on this Parliament to slam the door resoundingly on all these efforts.

Mr d'Ormesson (DR). — *(FR)* The Group of the European Right also pays tribute to the tremendous courtesy and dedication shown by the Irish Presidency, and, despite the cares of the day, reciprocate its wishes for a happy Christmas.

The objective, however, is to pull Europe together. But where is the evidence of the necessary political will

to be found? It is as though the lack of any such will had permeated the proceedings of a Council set up as such for the specific purpose of laying down a European policy. 'Whatever is within your power you must have the courage to do.' It was this great strength, this great doctrine, this great lesson of energy which made Europe what it is, and meant that we are Europeans and not Indians, Chinese or Africans, as Paul Claudel wrote. However, to judge from the trend in our population charts, there is reason to doubt whether Europeans still have any will to survive. Equally strong grounds for this doubt are to be found in the culpable weakness with which we have abandoned the Christians in Lebanon to their miserable fate, or again in the spectacle of Africa reduced to famine because we lack the courage to speak out against the essential cause of its inability to feed its peoples: the expansion of Marxism on a continent where a decidedly poor job has been made of emancipation.

And now we find that the right of peoples to self-determination is becoming a tyrannical principle because our Member States lack the strength of character to stand by its essential corollary, which is 'the right of others to live', even where, as in New Caledonia, the others are the majority of the population.

No economic power exists without political strength, still less without the ability to come to the assistance of our people, all our people, or to offer military cooperation to our partners in the Near East or in Africa.

The Group of the European Right similarly maintains that the Community will not survive without its common agricultural policy, the cornerstone of the Treaty of Rome, but at its present stage of development it requires fundamental revision of the rules according to which it is financed — with no place for compromise. Moreover, enlargement of the Community cannot be ratified until the rules have been defined and adequate resources have been made available. It also requires a major effort of research and new proposals for expansion of exports. Facing up to the challenges of the 21st century, the Group of the European Right maintains that there will be no economic recovery without vigorous policies to increase the birthrate north of the Mediterranean and to develop resources to the south, without a refusal to confuse the decision to confederate our nations with a free-trade area which would set the scene for the enslavement of Europe, that appendix ludicrously cut away from Asia, as Emmanuel Berl put it.

(Applause from the Group of the European Right)

Mr Plaskovitis (S). — *(GR)* Mr President, the cyclical road from Stuttgart to Athens, from Athens to Fontainebleau and from Fontainebleau to Dublin always leads us back persistently to the same question: what sort of Europe do we ultimately want? Or better, what sort of Europe is wanted by those who effec-

Plaskovitis

tively run the European Community and who, at every meeting of the European Council, manage to impose inaction and inertia after first having looked after the interests of their own powerful countries?

We have listened again today to the statements of the spokesmen for the Council and the Commission. We have also read the official texts of the outcome of the Dublin Summit, and although we acknowledge the efforts made by the Irish President of the Council we have the feeling that we are hearing yet again what was said to us in June 1983, March 1984 and June 1984, with some differences, perhaps, in the way things are set out, but with no difference in the substance and in the intentions of those who draft these official texts.

If one leaves out the sizeable refund to Great Britain which Mrs Thatcher got out of the Community with her blackmailing in spite of what it says in the treaties, the compromise on milk prices and the conditional and dubious agreement on wine everything is as it was before if not further behind. Everything is cloaked in high-sounding language which, of course, no one has to pay for. Everything is held over to the next presidency and the everlasting recitation of vague hopes and promises concerning decisions on matters which are of vital importance for the European Community no longer has the capacity to amuse anyone, let alone make us lose sight of reality.

The reality is that some of those in the Community, not the weaker members, of course, are consciously seeking to turn it into a free trade zone offering an easy market for the products of their advanced industries at the expense of the Community's poorer areas by cutting back, among other things, on the common agricultural policy 70 to 80% of the funds of which go to supporting the farm products of the countries of the north.

Is this then the Europe — ostensibly united in political cooperation — that the controlling countries want to impose on the small and less-developed countries of the Community? Is this the solidarity between its ten Member States which, according to the treaties, is supposed to be its guiding principle and the supreme purpose of its existence?

At the time of the deliberations on the mandate of 30 May 1980 dealing with the reshaping of the Community's policies the political will was expressed to give additional support to the Mediterranean areas and to develop Community activity for the purpose of helping these areas. At the end of 1982 the Commission promised to submit integrated development programmes for implementation by the Community in the Mediterranean countries. At Stuttgart the Council pronounced itself satisfied with the Commission's detailed and constructive examination of the problems arising from Greece's accession and decided that concrete decisions should be taken at the next European

Council. In March 1984 in Brussels and June 1984 at Fontainebleau there was an explicit decision on the integrated Mediterranean programmes and these were fixed to start in 1985 in view of the impending accession of Spain and Portugal and the memorandum submitted by the Greek Government.

All of this has been confirmed already by the esteemed President of the Commission — to whom I am indebted for his objectivity — and I think that the manifest link between enlargement and the financing of the integrated Mediterranean programmes emerged quite clearly from his speech. Yet when we arrive at Dublin we suddenly find all those countries which had agreed on this sort of arrangement at Fontainebleau suddenly getting cold feet.

Colleagues, the burden to the budget of the integrated Mediterranean programmes amounts to 6.5 billion ECUs over six years, just 4% of the Community's annual budget. Is it not logical that this sum should be made available as a matter of necessity so that the problems arising from enlargement can be coped with? Is it not true, perhaps, that it is the Mediterranean countries which will have to pay the price for enlargement? To finish, Mr President, I repeat the question I asked at the beginning. What sort of Europe do we want to hold out for our peoples?

Mr Spinelli (COM), Chairman of the Committee on Institutional Affairs. — (FR) Mr President, I am going to propose to this House that, at the end of this debate, it adopt motion for a resolution N° 2-1231/84 which our Rules of Procedure, in their mysterious wisdom, require to be tabled with the signatures of 21 honourable Members, but which has been debated by the Committee on Institutional Affairs, which adopted it by a large majority. It is therefore on behalf of the Committee that I speak.

Having studied the Dooge report, and learnt of the treatment that it has received from the Council, we have two comments and one formal request to make.

The first comment is that we find it extraordinary that the Council should have taken so long over the transition from the stage of the existing Community to that of a real political and economic Union.

'The house is on fire', one might say, and this morning's debate on the budget provided yet further confirmation of the everwidening gulf that has developed between what Europe needs and what the existing Community is able to do for it. Ten months have elapsed since this Parliament presented our countries with a draft for dealing with this situation, a detailed draft into which it had put a great deal of thought. And when a report which for the most part confirms the ideas contained in Parliament's draft (it has been described as an interim report, but it could more appropriately be called a final report) is submitted to

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the Council, the Council does not even begin to examine it, but defers it for six months.

Are you not afraid, Gentlemen of the European Council, that the favourable conditions, under which it would be possible to make a start now, will not have disappeared six months hence before we have been able to take advantage of them? We therefore ask that, in six months' time, you will not still be just debating this issue but making up your minds.

The second comment is that the Dooge Committee, in its majority proposal for an intergovernmental conference to be convened in the near future to negotiate and sign the final draft of the treaty on the Union, defines the conditions for participation in this conference in terms which we find acceptable as long as they are properly understood. Quite obviously, the basis of such a conference must be the overall results achieved to date in the construction of Europe, by which I mean both the *acquis communautaire* proper and the Stuttgart declaration. Our draft is quite clear on this point, stipulating that the *acquis communautaire* must be maintained until such time as the Union, once it has come into being, decides to develop or modify it.

This said, the *ad hoc* Committee proposes that the conference should draw its inspiration from the spirit and method adopted in Parliament's draft treaty. Now these words, if they are to have any meaning, must be interpreted as signifying that the conference will work on the basis of Parliament's draft treaty, proposing modifications where it considers them appropriate, but not changing the spirit or the method. If this prerequisite were disregarded, if all and sundry were allowed to ascribe whatever meaning they chose to the words 'European Union', if the spirit and method adopted in our draft were to be ignored, a ghostly presence left to roam the corridors of the conference centre, it would be a foregone conclusion that the conference would be a failure, producing only semblances of solutions.

In addition to these two comments, our motion for a resolution contains a formal request: to be involved in the drafting of a treaty on political and economic Union — a union capable of meeting the great challenges which neither our States nor our existing Communities are any longer in a position to meet — which cannot be regarded as a routine task for our diplomatic staffs.

While it is true that a treaty must have been negotiated among our governments before they can sign it and propose it for ratification, it is also undoubtedly true that this particular treaty will be one containing the actual constitution of a union of States and citizens. But, as Europeans, our citizens are legitimately represented by this Parliament. Consequently, the European Parliament calls upon the *ad hoc* Committee to propose in its final report in March, and the European Council to adopt in June, a method of negotiation

which does justice to the originality of the construction of Europe, bringing in the intergovernmental conference and Parliament as partners in the drafting of the Treaty. This Treaty should be treated as final and ready for ratification once it has been adopted in identical terms by the intergovernmental conference and the Parliament of all the peoples of the Community.

President FitzGerald has asked us to give the *ad hoc* Committee sufficient notice of our requirements. Well, as of now, the *ad hoc* Committee and the European Council know what we require: it is contained in the motion for a resolution which I have just presented to you.

Ladies and gentlemen, by voting for this motion for a resolution we shall be reminding everyone that we have been sent here by our fellow citizens to contribute to the construction of a real union of our peoples, not by words but by action.

(Applause)

Mr FitzGerald, *President-in-Office of the European Council*. — First of all, Mr President, I should like to thank the speakers who were good enough to say kind things about the Irish Presidency. We inherited a situation which had promise because of the great progress made at Fontainebleau but where there remained outstanding a number of issues, some of some complexity, which constituted potential obstacles to the process of enlargement of the Community, and other difficulties, some of them relating to the question of the relationship between Parliament and the Council.

We have tried — and I think with some success — to tackle these problems, although it was not possible, and I did not think it would be possible in our Presidency nor for some presidencies to come, to resolve the outstanding issues between Parliament and the Council, which are necessarily the subject of a process of evolution. This evolution in the institutional relationships is far from complete. At the moment it is, from the point of view of Parliament, unsatisfactory, and anyone who is a politician and faces political realities must see it as unsatisfactory.

I am not surprised to hear a note of frustration amongst many who spoke on this aspect of the Community, and I do not think that their frustration will disappear overnight. I think that a difficult process has to be gone through. Parliament must — and I speak for myself as *Taoiseach* rather than as President at this point — assert itself. And, speaking as President-in-Office of the Council, I would say that the Council has to take its responsibilities.

I now turn to some of the specific points dealt with. First, it was suggested that the European Council had involved itself — on this occasion as on many other

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occasions — with details with which, it was suggested not very kindly, it was not competent to deal. I say 'not very kindly', but I am not disputing the accuracy of the suggestion. Nor am I suggesting that the situation in which matters of great detail and complexity are left to be settled at the level of Heads of Government is in any way satisfactory. Speaking personally — and I shall throughout my few remarks be distinguishing carefully between my presidential rôle and certain personal reactions — I agree thoroughly with those who are unhappy about the way in which the European Council has become a kind of Court of Appeal, and at times not even an effective Court of Appeal. As Minister for Foreign Affairs in 1974, ten years ago, I challenged the decision to establish the European Council without clearly establishing that it would not, in fact, have this rôle forced upon it. I said that it should operate, if it were to be constituted genuinely, as an additional motive force for the Community.

With the criticisms of that kind made of the way in which the European Council has come to operate, I would personally agree. As President-in-Office of the Council I must, however, say that, given the situation that faces the Community at various points in time when problems have not been resolved at the other levels at which they should have been resolved, and where if all Heads of Government had given proper instructions they might have been resolved, then it is necessary for the European Council in those situations to resolve those problems. In other words, I make no apology for having resolved the problem of wine, but I regret that this matter fell to me to undertake. I regret it because I think it is wrong in principle. I do not regret it personally, because I learned a lot about wine and viticulture which I would not otherwise have had to learn.

(Laughter)

It has been suggested by Mr Arndt, Mrs Veil and, to some degree, Mr de la Malène, that the result in respect of wine is in some way confused. Mr Arndt indeed stressed this and challenged this point. I would say there is no confusion whatever on this point. There may have appeared to be some confusion in the immediate aftermath of the European Council, but there is no confusion. A clear decision was taken which removed any obstacle to the pursuit of the negotiation with Spain and Portugal on the subject of wine as on the other outstanding dossiers.

This was made perfectly clear in the Greek Parliament by Mr Papandreou, the Greek Prime Minister, speaking during the last couple of days. He said specifically that there had been an unintentional misunderstanding to the effect that Greece had stated that it had a reservation about the wine settlement independently of its general reservations regarding the integrated Mediterranean programmes. He went on to say:

'I solemnly declare here that we have no special reservations about the agreement already drafted

other than the general reservation which we have expressed and that is to make the issue of enlargement *ad referendum* until March'.

And an official communication to that effect has been received in Brussels from the Greek Permanent Representative making it clear that Greece will give its formal agreement on wine at the next Foreign Affairs Council on 17 and 18 December, while maintaining, of course, its general reserve on wine and enlargement as for all subjects relating to enlargement.

There is therefore no confusion about wine. What I detected in the remarks of several speakers was some unhappiness about the conclusion of the negotiation on wine which is a quite different point and one which, again speaking as Taoiseach, I can fully understand as one who had to face the same kind of pressures in relation to milk some months ago. All my dairy sympathies extend to the wine-producing countries and to those speaking on behalf of their constituents in those countries! But the way has been cleared for negotiations. Let there be no doubt about that. Those negotiations can now proceed and there is no reason why the Community and Spain and Portugal should not now rapidly reach agreement. No doubt, as I said, the negotiations will be tough and there will be problems, but there is no obstacle to that agreement in terms of internal difficulties within the Community — they have been resolved. While that may be seen as an issue which should not have come to the European Council, when it did come there at least we settled it!

The other point which Mr Arndt raised and other people spoke on as well, indeed, was the question of the integrated Mediterranean programmes. Mr Klepsch, Sir Henry Plumb, Mr De Pasquale and Mr Plaskovitis all spoke on this subject. I must say, speaking as Taoiseach and perhaps in this case as President as well, I can agree that this matter should have been dealt with elsewhere sooner and that it should not have come as such a surprise that there is a major outstanding issue here and the European Council should have been more ready to cope with this problem when it was raised. Nonetheless, the fact is that it is a major outstanding issue. I do not want to suggest for one moment here that it is not a major outstanding problem. We have cleared away the obstacles to the completion of the negotiation. We have *not* cleared a major hurdle in respect of the enlargement of the Community. That hurdle can be overcome in March only if there is on both sides a willingness to face realities, a willingness on the part of the members of the Community other than Greece, to face the reality that there is an obligation to undertake in respect of Greece, and also the other Mediterranean countries, a series of programmes on an adequate scale to deal with the special difficulties in those areas which, in the case of Greece, include those raised in the Greek memorandum; and of course, on the other hand — and one has to say this too — a willingness on the part of Greece to face the realities of a Community which faces budg-

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etary difficulties and whose Member States have difficulty in securing acceptance by their own parliaments of significant increases in Community spending. I believe this problem can be resolved. I do not know if it will be. I pray that it shall be.

In respect of economic and social policy, I have to say that I was surprised by the absence of discussion. It was raised indeed by Mr Arndt, who raised a number of cogent points on this issue. I will not claim in this respect too much for the European Council. I would simply say that from the beginning of our Presidency we have sought to raise the real issues that arise here in respect of the concertation of economic policies. The efforts we have made have met with perhaps a limited response but, nonetheless, a real response. The Annual Report of the European Commission has on this occasion faced these issues more thoroughly and in a much more cogent way than previously and, interestingly enough, although some Member States might have difficulty with some of the ideas raised in that report — raised quite bluntly — they responded extremely positively to the report. This suggests to me that it is valuable that the European Commission should raise issues in this way and that they should not hesitate to raise real issues because from the previous attitudes of member governments there may be some reason to think that they might be unhappy about certain issues being raised.

All I can say on this is that a start has been made. The report of the European Commission has been accepted and it includes, if I may say so to Mr Arndt, a number of measures contained in the economic recovery programme, of the Socialist Group. So some progress has been made. What remains is to secure the implementation of the proposals included in the European Commission report and its acceptance in principle as a package, but in very general terms, by the European Council. If I may address Parliament, Sir, I think that if we are to make progress here and if member governments are to face their obligations and are to be encouraged to carry through their commitments, it is important that Parliament should play its role fully. The one disappointment to me in the debate today was that excepting Mr Arndt — and I hope I am not being unfair to anybody else — there has been relatively little discussion of these issues and if progress is to be made, governments must come under pressure from Parliament in a way which has not been evident here today. That last point I make as Taoiseach rather than as President.

On budgetary discipline, I have to say as President that the Council has now agreed to meet Parliament each year shortly before it is due to fix the reference framework for that year. It has also invited the Commission and Parliament to examine with it ways in which the cooperation necessary for a budgetary discipline common to all three institutions may be brought about. And in the later stages of the budgetary process all the powers and prerogatives of Parliament

under the Treaties, particularly under Article 203, remain unimpaired and will continue to have full force. Having said that as President, I have to add as Taoiseach, Prime Minister of my own country, that I am by no means happy with the marked tendency to put the budget into a strait-jacket.

With regard to the Dooge Report, I want to say to those who spoke on this subject, including Mr Klepsch, Mrs Veil and others, that there was a serious discussion on this at the European Council. I think it is a mistake to dismiss the discussion that took place. I took very full notes on it myself, which I have yet to transcribe. But there was a serious debate and discussion and it was wide-ranging and constructive and you should not underestimate the response. But this is an interim report and it would, I think, have been unfortunate if in fact it had been treated as a final report and if the Council had gone on to take decisions at this point on the basis of matters raised in the interim report in a manner that would have diminished the work of the in committee, in concluding its deliberations. It might have inhibited it or even led to a premature termination of its activities.

I think it is right that the European Council should have had a serious discussion but should not have taken up a position until the committee's report is completed. The committee itself wishes to develop a number of points more fully, and I think there are further useful discussions to take place within the Parliament and the committee. Because of the fact that up to this point the committee's work has been confidential, such consultations as have taken place informally between the Parliament and the committee have been limited in character. Now that the interim report has been published, there is the opportunity for a parliamentary debate, for a fuller input from Parliament. I think it would have been a great pity if the European Council had in any way purported to take up a position on the report before that process had been carried through. I am satisfied that the right approach to this problem was to have an interim report, to have a serious discussion on it, to have it published, to have it debated and *then* to draw up a final report, that final report to be the subject of really serious discussion in the European Council.

There have been criticisms that that is delayed till next June. I can understand why. You in this Parliament, who have been so responsible for the initiative for a serious movement towards European union, are impatient at delays in this respect. I would share your impatience were I a Member of this Parliament. But to look at it realistically, it was put to the European Council that to attempt to discuss this matter in March and to bring it to a conclusion with the outstanding business at that time, which clearly was going to include matters relating to enlargement — in particular, the integrated Mediterranean programmes — would have so reduced the time for discussion that that discussion might not have been fruitful and that it was much bet-

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ter to leave it to the June European Council, to make it either the sole or the main subject of discussion there and to give up time specifically to it. I was happy to accept that proposal and I prefer it to the idea that the committee's report might be dealt with in a cursory, summary, inadequate way at the March European Council.

While I regret the delay, I urge you and Mr Spinelli to accept that the extra three months may prove very worthwhile, both in terms of giving member governments a chance to reflect on the report before taking a position and in ensuring that adequate time will be given at the European Council to discuss it.

I have noted the points in Mr Spinelli's resolution. He himself in paragraph 5 requests that the intergovernmental conference referred to be convened at the end of the European Council meeting of June 1985. I cannot, of course, as President, commit the European Council in this matter; I can only say that the question of an intergovernmental conference was referred to in our discussions. I do not recall anybody taking a negative position on it. That is not to say that members are committed to it, it remains entirely open, and, speaking as Taoiseach, I hope that at the June Council, as Mr Spinelli has said, a decision will be taken in favour of such a conference.

In respect of paragraph 8 of Mr Spinelli's resolution, in which he refers to the need for contacts with parliaments of the Member States, I fully accept that. I have some difficulty about the first words of the resolution, which says 'The Parliament *instructs* the committee'. I think Parliament will have some difficulty in instructing a committee which was appointed by Heads of Government, but it will have no difficulty in securing the cooperation of the committee in further consultation with Parliament. So, leaving aside the verb, I can accept all the rest of paragraph 8 and I believe the committee can do so too. I believe that those discussions will be constructive.

Finally — and I am trying to be very brief, Mr President — to cover the main issues that were raised in the debate as I have tried to note them and to deal with them in some coherent form, Mrs Veil referred to the declarations in the framework of political cooperation by the European Council as 'banal'. I can understand why she might feel that. I would point out, however, first of all that there have been some European Councils which did not address themselves to these issues at all. It is better that the European Council should at least discuss these matters, tackle them and make some declaration than that they should make none. Secondly, it is very difficult in practice — just as you in this Parliament have difficulty in reaching agreement on resolutions at times, in sorting out different points of view — to draft a statement of policy to be representative of the views of ten Member States in language that all can agree to without at times descending to a certain banality, because anything too

specific will tend to come up against reluctance on the part of some member governments at least about expressing the point.

May I make a personal observation from long experience of political cooperation going back to 1973? I think one should distinguish between the declarations that are made either by the General Affairs Council or by the European Council on political cooperation matters, and the actual process of political cooperation itself. It is inevitable, I feel, regretfully, that the declarations made have to be very general in form and somewhat limited in scope in order to command the assent of all Member States, not merely to the sentiments in them, but to the publication of those sentiments as the views of ten member countries.

That does not mean, however, that the discussions on political cooperation have not had a profound effect on bringing together the approaches of member countries to foreign policy in a way which I think is still inadequately appreciated. I remember with great clarity when I became Minister of Foreign Affairs of my country in 1973 the wide differences that existed between member countries on foreign-policy issues which they had never discussed together. For example, on the Middle East, there was a gulf between some Member States and others. Within five years the member countries had come to form a common view on the Middle East. Since then they have been approaching other issues such as Southern Africa and Central America and have also come much closer together in the perception of the real situation. They do not always find it possible or politic to make a public statement of precisely what they feel in language that all can assent to, but one should not underestimate the extent to which in these internal discussions our countries have moved together in forming a much more united appraisal of these issues than was the case some years ago. I would for one never undervalue the process of political cooperation, however one may criticize particular declarations made publicly. I say that speaking on my own behalf, but I think I am permitted to make that comment.

Mr President, those are my responses, partly on behalf of the Presidency, partly on my own behalf, and I trust that the record of my remarks will distinguish adequately between the two so that none of my nine colleagues will accuse me of saying things on their behalf which they do not agree with. I have tried to deal in a practical way with the different issues raised, and I feel that the kind of dialogue that we have had today, the opportunity to listen to your comments here and for me to respond is useful. I hope that if this is a precedent — I understand it is — it will be followed in the future, for it is only through this kind of dialogue between Parliament and the Council, with all its imperfections and with some of its dangers — of which I am very conscious also, personally — that we can build together the kind of Community we are seeking to build. I hope and believe that next June we

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shall take a fundamental step in that direction and that in doing so we shall be responding not only to the views, but basically to the initiative of this Parliament, which, particularly in response to Mr Spinelli, has had a vision of the Europe of the future which is still, certainly, one that will cause difficulties for individual governments and for many governments, one with which there will be disagreement in particular respects, but which nonetheless in its broad thrust is something which I think is shared by most, if not all, the governments of the members countries and is shared between this Parliament and the governments in question.

Having put behind us, I hope, by June next all the internal quarrels, the internecine struggles that we have had over issues that should never have evoked such tensions and never have taken so much time, having achieved enlargement and got that settled, we have the opportunity then, and then is the moment to make progress. I hope we will grasp that opportunity.

(Prolonged applause)

IN THE CHAIR: MR PLASKOVITIS*Vice-President*

Mr Croux (PPE). — *(NL)* Mr President, as I was listening to Taoiseach FitzGerald, I thought to myself: here we have a man of good will who did his best with a great deal of energy and commitment to make a success of the Dublin summit, but was unfortunately unable to do more because he was faced with a weak structure. This is the present tragedy of Europe: a strong idea but a weak structure.

On behalf of my group, the EPP, Mr President, ladies and gentlemen, I should like to say a few words about the interim report of the Dooge Committee and the action taken on it by the Council in Dublin. We are, of course, satisfied with what the interim report has to say. At the time I put my question I did not think so much could have been done about the activities of the Dooge Committee by December. The report reflects Parliament's philosophy, its methods and spirit, not sufficiently so, but there is definitely a link. Even now, in the conclusions it draws, it calls for an intergovernmental conference. However, while we are pleased with the *ad hoc* committee's work, we think it a pity the Council did not immediately comply with the request clearly stated by this committee, which believes there is a need for an intergovernmental conference in the near future to negotiate on a draft treaty on European Union.

We have no time to lose. The idea of European Union dates back to the summit meeting of Heads of State or Government held in The Hague in 1969. In 1972

and 1973 it was said that European Union should be achieved by the end of the decade, by 1980. It is now 1984, and Europe is losing ground by the day. I do not want to repeat what has been said here so often about economic recovery and the fight against unemployment.

Allow me to mention another topical issue that has been discussed today, the Community's role in measures to combat famine in Africa. I well remember Commissioner Pisani, when asked about the causes of the emergency in Ethiopia and the Sahel, saying in this very Chamber a month ago in a dramatic speech: 'We are all to blame, and *la vie paralysante et paralytique de la Communauté* in particular.' Those were the words he used. We have been aware of the situation in Africa for years. It has often been discussed here. But the Community has been unable to take action.

We have long known that we cannot fight unemployment without real European integration, but we do nothing about it. When Mr FitzGerald says, as he has just done, that he is surprised so little has so far been said about the problem of unemployment, we must surely remind him of the many occasions on which we have pointed to the cause of this problem.

And while we are still having to discuss budgetary discipline and the 1985 budget in this Parliament, we know only too well, because it has been said so often, that, while we may now be squabbling over 1.000m ECU, hundreds of millions of ECU are wasted every year because we have not made enough progress in the Community. A document the Commission recently submitted to the Dooge Committee even says as much. So we have no time to lose, and we therefore urge this Parliament and the Council not to leave the plans for institutional improvements on the shelf but to get on with the job and debate the subject in the next few months.

A question that becomes more urgent as time passes is this: who wants to press ahead? Which of the Member States want to go on down the road towards European Union? Because one thing is clear from the Dooge Committee's report and from the reactions of the ten Member States: three have expressed reservations about various shades of meaning, some hint at the possibility of greater consensus, but the report itself clearly says that the principle of *la différenciation de la règle communautaire* must be applied. We said this during our debate on the draft treaty on European Union on 14 February 1984.

We must take this road, which does not mean a two-speed Europe, one of the richer countries and another of the poorer countries, because, let it be noted, it is often the very prosperous who are most opposed to political union. I will not name any names, but everyone knows which country or countries may be concerned. That is the task we face, and we of this Parliament have opted for a twin-track strategy. The resolu-

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tion that has been tabled by the Committee on Institutional Affairs clearly confirms this.

The first track consists of action at the level of the Council, of the governments and now of the Dooge Committee, because this is what we said in the resolution of 14 February: we tackle the governments first. The discussions are under way at this level, which perhaps no one dared to hope a few months ago, and no one would have dreamt that so much progress would be made. But we insist that this work continue, and we intend to take up Prime Minister FitzGerald's suggestion that everything possible should be done to have a large-scale debate on the subject before the European Council meeting in Milan. We would add that the European Parliament must be involved. That goes without saying. This Parliament is the expression of democratic political forces in all the countries of Europe and in Europe as a Community. It is inconceivable that Parliament should not be treated as an equal partner in the discussions held at the level of the Council of the governments.

I now come to the second track. On 14 February we said that we would then turn to the national parliaments, and we have already made preparations for this in the Committee on Institutional Affairs. Contact has been made with various national parliaments, and we hope to step up these activities in the coming months. This is necessary, ladies and gentlemen, and I appeal to the national parliaments to receive these delegations, to consult with them, to obtain information from them, to make suggestions, because the work on the construction of Europe has in the final analysis been done by the national parliaments. They have expressed the will of their peoples. If we intend to be democratic, we must take due account of this.

Mr Klepsch has said that what we in fact have at the moment is a kind of oligarchic system without sufficient parliamentary control. Politically, no one can exercise democratic control over the Council. We must therefore go back to the national parliaments and put questions to them about democracy in Europe and above all about efficiency in Europe. We have drawn up a programme for the coming months, and we shall continue to work on it.

We sometimes hear references to Euro-sclerosis, the hardening of the Euro-arteries, the stiffening of the Euromuscles, and if we compare ourselves to the rest of the world, to Japan, the United States, the Pacific region, we cannot fail to be concerned. But just as almost thirty years ago, in similarly difficult circumstances, the fathers of Europe said that we must cooperate and do away with economic protectionism, we must say that today's political, nationalist protectionism must be done away with. This political protectionism is just as destructive as economic protectionism. It leads to isolation, it leads to decay, to decline. In the foreseeable future we shall account for only 5% of the world's population. To this impressive figure there is

only one response: if we want to have any kind of future, we must cooperate, or there will be only decay.

(Applause from the centre)

Mr Toksvig (ED). — *(DA)* Mr President, I rise to speak in the first instance in order to thank Dr FitzGerald for what is without doubt the best speech I have heard in the six months I have been here in Parliament. It was a strong speech which was above all European and which invoked all the European ideas that should inspire all of us here in this chamber. He said that the European Council should not be a kind of Court of Appeal and that politicians might feel that the relationship between the Council and Parliament is unsatisfactory. He is so very right in that, but he put it in such a way as to set a standard of eloquence which we would all find it difficult to follow.

We have indeed seen what has so far emerged from the work of the Dooge Committee: a few ideas, hedged with reservations, which are loosely formulated and have not been properly thought through, but ideas which are now on the table and which we must discuss further over the next six months. I must say that the ideas which have been put forward in the interim report of the Dooge Committee are immensely exciting.

I had hoped — and I have said so before in Parliament — that the Irish presidency might have enabled us to settle the question of the enlargement of the Community to include Spain and Portugal. It has often been said that the achievement of a solution to the question of Spanish and Portuguese entry will be a measure of the seriousness with which we take European cooperation. We had the same hopes of the previous presidency; we must now pin these hopes for a solution to the problem on the next presidency. We are one year from the target date of 1 January 1986. It was certainly nice to hear Dr FitzGerald note that we have apparently disposed of the wine problems and that the Commission is poised to settle the remaining problems as rapidly as possible, ie problems relating to the Mediterranean region, which were also mentioned by the Greek Prime Minister.

But we expect — and it is important to continue pressing this point home — that the two new countries will be admitted in such a way that we have an integration procedure that can also be used in the event that countries other than Spain and Portugal express the wish in the near future to join us. This is an open Community based exclusively on pluralist democracy, and other friends of ours are out there waiting for us. So now we look to the Italian presidency to ensure that the whole ratification process does not create problems. This is a crucial moment.

Mrs De March (COM). — *(FR)* Are we to take satisfaction in the agreement concluded in Dublin? The

De March

French Communists think not, but on the contrary find two reasons to be worried.

First, the apprehensions that we voiced after the Fontainebleau summit have proved to be completely justified. The compromises conceded to Mrs Thatcher have had a considerable influence on the conclusions reached in Dublin. It has now become clear what is really meant by budgetary discipline: savage inroads into the guarantees given to farmers, negation of Parliament's budgetary powers.

Secondly, having seen all these attacks on agriculture, we do not think that it is a matter of chance that the Ten should have decided that wine production is to be sacrificed so that enlargement can be proceeded with. This afternoon the President of the Council announced to this House: there is a clear decision on wine, there is no longer any obstacle to enlargement. He even stressed that he understood the difficulties that this would cause to the growers and the regions concerned. Mr President, this decision affects whole regions in the wine-growing South, and the consequences will be very grave. Not only the balance of local economies but centuries of quality wine-growing tradition will be destroyed! The careers of our young farmers will be destroyed too. So we now find in December 1984 that, far from bringing about an adjustment of the balance in favour of the southern part of the Community, enlargement has become the pretext for singling out the southern regions and Mediterranean products for particularly harsh treatment. The handling of the integrated Mediterranean programme has drawn a sharp reaction from Mr Papan-dreou, and I understand his motives entirely. The scheme aimed at putting a proportion of French producers out of business will solve none of the fundamental problems. This is especially true in the case of wine since Spain is the biggest grower in the world and large areas on which wine of high quality and strength is now growing will soon be used to grow blended wines. Before long we will be faced with the same problems. Thus, and there can be no illusions about this, Dublin will make matters worse for growers, for farmers, when what we need in the Community, in all the regions of the Community, is a modern, expanding farming industry affording decent incomes, at a time when the numbers of poor people are rising in all our countries.

But let us be clear: the wine problem is not going to be settled. Nor are the problems going to be settled in other sectors: steel, shipbuilding, fisheries, fruit and vegetables. In each of these sectors, enlargement will result in terrible waste of human resources, by the destruction of productive capacity in the Community. Admittedly, the applicant countries themselves are heading this way. Spain is making ready for a drastic run-down in its shipbuilding and shipping industries. Nobody — neither the Commission nor the Member States — is in any position to calculate what the cost will be. And yet the entry of the United Kingdom and

Greece should have taught us lessons enabling us to avoid many of the errors which we are now committing again. Mrs Thatcher's obstinacy, holding back the functioning of the Community in order to obtain special treatment, should give the applicant countries pause. How can we fail to be alarmed at the absence of any serious statistical study of how enlargement is going to affect our relations with the Maghreb countries and the developing countries?

The truth is that there is a clear, quite specific political purpose behind these disastrous arrangements. How can we overlook the link between Spain's presence in the Community and her involvement in NATO, which has been stressed so much by European commentators that it cannot be in any doubt? How can we overlook the fact that certain Heads of State would gladly take the first opportunity to use enlargement as a pretext for an attack on the rule stipulating unanimous voting? It is therefore the farmers with family holdings who are having to bear the cost of a free-trade policy, while the United States and its multinational corporations make light of a 33 billion deficit on trade in agricultural produce with the Community.

We cannot remain silent in the face of the Dublin compromise, which is fraught with short-term dangers for employment in agriculture. The measures agreed in Dublin are going to meet with a legitimate reaction from the farming world in France, in our regions. We Communist Members will be giving them our full backing. None of the decisions taken in Dublin will make any real impact on the crisis besetting the Community.

One of the Heads of State at the European Council drew attention to some important facts: unemployment has been rising steadily in the Community for 14 consecutive years, industry is being run down, capital is flooding out of Europe and into the United States, the North-South dialogue is making no progress. All this is the opposite of the logic of development to which our colleague Mr Arndt was referring, a logic in which man and real modernity are put at the centre of development plans. The Community is missing the opportunity to pursue a noble ambition which the citizens of our countries would have supported. Unfortunately, Dublin brought us no closer at all to realization of the practical aspiration to create a Europe of her peoples.

Mrs Hammerich (ARC). — (DA) Mr President, I have the impression that many of the honourable speakers have expressed great anger and annoyance towards the President-in-Office of the Council, reproaching him for our failure to make sufficient progress during his term of office and for the inadequate achievements of the Dublin meeting. But the President-in-Office cannot force Member States to go further than they want to; the European Community has to be a voluntary Community after all. No-one can

Hammerich

force others to do anything, and I do not think that anyone in this chamber would want a Council president to force countries into something they do not want. But, if we stand by this principle of freedom, there is no reason for such anger as has been shown.

The Spaak II project has been widely discussed in Denmark. Thanks not to our Government but to the Danish People's Movement against Membership of the European Community. The Government actually refused to make the interim report available to the Folketing before the Dublin meeting. It was confidential, according to our Foreign Minister. But we disagree. We feel it goes without saying that people should be informed in advance of any plans for their future which are due to be discussed. For that reason we in our movement had to take on the responsibility, which is by rights incumbent on the Government, of getting hold of the document and of ensuring that a debate is held in our country on its content, and we felt that that was a simple democratic thing to do. Twenty-four hours after we had obtained the report, it lay on the table before the members of our Folketing, translated into Danish, analysed, commented and printed. This created the possibility of an open debate — at all events, a better possibility than existed previously. For example, a debate on those plans for EEC armament contained in the interim report, which speaks of the design, development and production of arms. We consider that to be very dangerous. Or a debate on the attack on the right of veto which is contained in the document: the right of veto is to be limited and eventually abolished. This is something we consider to be no less dangerous. These two points in the debate alone aroused fierce opposition in Denmark, and the majority of Danes have no ambition to form part of a Central European superpower. We do not think that big is necessarily beautiful; we believe more in local democracy and decentralization. But I want to be constructive here, and I promise that we in our movement shall be following the Spaak II project very closely and attentively up to March and beyond to June in Milan. We shall make sure that the work becomes known and that people in our country get a chance to form their own opinion on the matter. We shall make sure that no development is forced through which people in our country do not want.

Mr Romualdi (DR). — *(IT)* Mr President, ladies and gentlemen, from what we have read and heard a short time ago from President FitzGerald whom we thank very sincerely, we must say that the Dublin Summit was one of the usual summit failures that have characterized and impeded, in recent years, the progress of our Community, to the point of creating on a number of occasions the feeling that progress was definitely not feasible. But we hope that that is not the case, and that, with goodwill, considerable progress is possible.

True, there was no 'wine war' at Dublin, but that was only because, in the end, Italy, because of weakness,

and France, for its own special political motives, agreed that the wine adulterators, adding their sugar, could fight this war, or rather win it without having to fight. This is the worst way to resolve, or rather, leave unresolved, a problem of considerable importance such as this is, not least having regard to the question of the enlargement of the Community, which has been very sadly bogged down, and that not only — we have to say this — because of the unexpected veto by Papandreou, which was remarkable yet not foreseeable, but also because of the support — albeit discreet, I would go so far even as to say silent, though no less interested for that — given to that veto by Italy and France, too timid to see the integrated Mediterranean policy — which is already compromised, though for very different reasons — compromised yet further.

No enlargement, therefore, although some points have been smoothed away, but — against all hopes — the target of 1986 could be put back.

With regard to the project for Union, which was the subject that should have dominated the Dublin meeting, there was only fine talk, nice words about the 'delightful Utopia', as Mrs Thatcher called it, but nothing of substance, or rather, worse than nothing. We have, though, at all events, to keep trying: things are now at their worst, and I really do not know what will be the fate of the document that bears the name Spinelli, which was drawn up by our own Parliament.

As far as the Middle East is concerned, we have remained a long way behind in relation to that old Venice declaration which is often recalled by everyone, but practically never taken into consideration by anyone. Our Italian Prime Minister and the Italian Foreign Minister, who were very much hoping to be appointed, when the time came to assume the Presidency-in-Office, as mediators for the Community in the affairs of that troubled, complex political and military area, were really somewhat disappointed, at the bad Dublin decisions: this was the fault of their fanciful ideas and ingenuousness which, however, we hope will not be typical of the next 6-month period of office, not least where the other problems are concerned.

Mr Seal (S), chairman of the Committee on Economic and Monetary Affairs and Industrial Policy. — Mr President, in true political fashion the Dublin statement means a lot of different things to different people. But I want to concentrate on the economic situation because the statements that have been made by the Council and also in this Assembly differ substantially from the statements made by the British Prime Minister in the House of Commons. I would urge all the Conservatives — if any of them were present — and particularly their spokesman, Sir Fred Catherwood, to read the comments of their Prime Minister in Hansard of 5 December. Yesterday Sir Fred Catherwood stated that the priority had switched to the problem of unemployment. This was also stated today

Seal

by the President-in-Office of the Council, Mr Fitzgerald. I say to them both that it certainly was not adopted as the first priority of the British Prime Minister. Their problem with unemployment is how to change the system of producing the official figures so that they stay constant at 3 million while the actual job losses continue to rise.

While Sir Fred Catherwood, Conservative Member of this Assembly, is giving credit here to the Assembly for changing the Community's priorities on unemployment, their leader, Mrs Thatcher, in the House of Commons stated, and I quote:

'The creation of more jobs has to be achieved in the context of moderation in the evolution of real wages and a pause in the growth of current public expenditure and a decline for several years in its share of the gross domestic product'.

And that is all she said about the economic part of the debate in Dublin. Those are the only comments she made to the House of Commons.

The acceptance of these principles by the Council is certainly a different story from what we have heard today from the President-in-Office of the Council. I can say to Members here from other countries that in Britain these principles do not produce any jobs at all. If you do not believe me, look at what six years of these principles have done to Britain. Not only have we 4 million people unemployed but a report this week by the independent Low-payment Unit showed that in addition 8 million British workers are earning only £107 per week, which is the official poverty line. That means that 12 million working people in Britain are going to have a white Christmas — they have been bled white by Scrooge Thatcher and her economic policies; policies that we understand she is now foisting on the rest of the Common Market countries. If she is then I hope that the Council — and it is a pity that the President-in-Office has gone — will repudiate those policies. In addition to Thatcher's battle with the miners, a battle in which the miners are fighting only to keep jobs, Mrs Thatcher and our Conservatives like Sir Fred Catherwood there are working quietly to push millions of workers and their families in Britain deeper into the pit of poverty. And it is no wonder that we in the British Labour Group here are enraged by the hypocrisy of you Tories when you speak about giving priority to unemployment when your Prime Minister is working hard at raising unemployment.

Mr President, yesterday in this House we rejected the von Bismarck report because that too was based on the economics of repression, and if we'd voted on the Commission's proposal, as Mr Patterson wanted, then that too would have been rejected. This House does not want Thatcherite monetarism, and the new Commission should take note of yesterday's vote. And there is no evidence at all that holding down wages reduces unemployment. It has not worked in Britain

and it has not worked in any other country, not even in America where the recovery has not, as has often been stated, been fuelled by a fall in real wages. Indeed, all the economic models that have been used in Europe show that falling wages do not reduce unemployment.

There are at least 14 million people unemployed in the Common Market and for each one of these there is a cost of least £2000 per year to their Member State governments. So we in the Community are paying a minimum of 30 billion a year to keep people out of work. If we are going to change this situation we have got to reject Thatcherism and the views of people like Mr von Bismarck. We have got to invest in jobs, put money into public services, pay for Community projects. In other words we have got to invest in people.

There is an alternative to unemployment, but it can only be achieved by using alternative policies to those that have been put forward by the Commission. I hope that the President-in-Office of the Council has taken note of the fact that Parliament yesterday showed that it wanted to reject the von Bismarck report and also that it does not accept the Commission's economic report. I call upon the Council to reject that report and instruct the Commission to produce a final report based on increased public spending and a united reflation of Member State economies.

Mr Costanzo (PPE). — *(IT)* Mr President, the Summit Meetings of Heads of State and Government repeat themselves with almost constant monotony, with their reports of difficulties, explanations of problems, and indications of solutions; but they go no further. They seem incapable of breaking down the wall that divides hopes and proposals from the implementation of coherent policies and concrete measures. This operational stage is something that is indicated and something that is promised, but invariably it is finally put off, from one 6-month period to the next. It is the old story of passing the buck.

Dublin could not offer anything new or anything substantially different from the results of the Stuttgart, Athens and Fontainebleau Summits. The Irish Presidency did what it could. No blame can be attached to the Irish Government. On the contrary, it undoubtedly has the merit of not having attempted to delude the Parliament with resounding, emphatic affirmations of proposals. The realism and goodwill that it showed should be acknowledged.

Proposals, some of them new, emerged even from the European Council meeting at Fontainebleau; however we should be wise not to over-emphasize the results of that Summit. Athens did not accept the stimulus provided by Stuttgart, Fontainebleau did not succeed in covering the gap left by Athens, and Dublin could not get underway a structure whose design we know, but for which we have not the necessary technical and financial resources available.

Costanzo

The answer to the 'call for Europe' that we have heard also during the last electoral campaign cannot be the answer that the European Councils offer us, whether from Fontainebleau or Dublin.

It is not sufficient to seek refuge in the formation of *ad hoc* committees, or in declarations that it is necessary to re-examine employment policy especially as it affects the young, or that we have to complete the internal market, give the ECU a wider role, strengthen the Community's technological base, and take steps to reduce the disparity between the different regions. Affirming all this will certainly not provoke hostile reactions, but neither will it be any longer successful in provoking enthusiasm and confidence in the citizens of Europe, so long as such affirmations remain merely affirmations of proposals.

These last affirmations of the Dublin Summit are clearly refuted by the behaviour of the governments in whose name they are made. It is not possible, it is no longer acceptable that such things should be said, such targets outlined, and at the same time the purse strings should be drawn tight — that is to say, the budget, which is the essential, irreplaceable power supply for any initiative, should be blocked.

A new expression now dominates our debates — 'The People's Europe'.

But where and how can this People's Europe be achieved except in a Community founded on authoritative supranational institutions? Institutions whose powers cannot be replaced by intergovernmental negotiations, or transfers to *ad hoc* committees.

The executive Commission proposes and implements the Community's policies. The European Parliament has always taken this line, and has endorsed it in its new draft Treaty.

Parliament's request that the members of the new Commission should be sworn in before the elected representatives of the European people is certainly more than legitimate, and is in the interests of the Commission.

The Commission could not find complete democratic legitimacy in any other place. This new Commission must immediately give concrete signs of a 'new approach', a new approach that must go further than the new principle — however worthy that may be of distributing the portfolios. This is a different 'new approach', which the citizens of Europe have been waiting for for years; they have been waiting for new deeds, which are systematically proclaimed and promised, but subsequently just as systematically disregarded.

People are now expecting something else, something more than solemn declarations and fascinating pro-

grammes. No-one listens any longer to a Europe which is all talk.

We must all of us — the Council, the Commission, the Parliament — buckle down to it and get things done, so that Europe can become a place of deeds, not words.

Mr Ephremidis (COM). — (GR) Mr President, Mrs Thatcher is eating up our money with the refunds and other ladies here, whom I respect, are eating up the time we need in order to state our views. Something will have to be done about it. Anyway, I would like to say a couple of things in the minute left to me.

Firstly, in our opinion the working people of Europe will reap no good from the decisions taken in Dublin. Quite the opposite, things will get worse for them as regards unemployment and all the other problems they face following previous decisions aimed at supporting national interests and the interests of the multinationals. No initiative whatsoever has been forthcoming on the question of *détente* and disarmament, though there has been a welter of demagoguery and idle talk. Not that it could have been otherwise, given that a few days ago representatives of the same governments, urged on by Reagan, decided at the meeting of NATO to increase military spending by 40%.

Secondly, as regards enlargement, it has become abundantly clear that there has been a determined effort to make the Mediterranean and backward areas of the Community, and our country in particular, pay the cost of this. We note the positive stance that the Greek Government has taken on this. We make the point, however, that it should remain firmly resolute and impervious to pleas for understanding. If anyone ought to show understanding it is those who have exploited Greek membership and wish to exploit the membership of Spain and Portugal to widen their own sphere of influence. We shall insist on this, Mr President, and we shall make life hard for our government; though not here because we do not give this Parliament the right to get involved in the affairs of our country. We shall raise the matter in the Greek Parliament, before the Greek people, and we shall advise the government not to be led astray by the party of the Right which, even more in tune than the organ-grinder, has criticized it for wanting to stand up against what they tried to impose on it in Dublin.

Mr Roelants du Vivier (ARC). — (FR) Mr President, I do not wish to talk about wine or about the Dooge Committee. I wish to raise a matter which passed almost unnoticed at the Dublin summit although it is an important aspect of the construction of Europe: policy on the environment and consumer protection. Once again policy in this area has been postponed. Instead of addressing the problems involved, the Dublin summit said: 'We shall discuss it next March, in

Roelants du Vivier

Brussels'. This procrastination has now become a habit, but it has also become symbolic of the contempt shown for the concerns of a substantial proportion of the population.

What, then, is to be done? Do we really have to wait until the last tree in the European Community dies before holding a great ceremony celebrating the cause of conservation around this last survivor?

Deferred until March. And why should that be? What are the terms of reference for the analysis that the European Council is going to undertake? I should have been most gratified if the Irish Minister had been able to enlighten us on this subject.

Mr President, the Council of Ministers has at least shown an interest in one item. This is the question of the lead content of petrol, on which it invited the Council of Environment-Ministers to take a decision as quickly as possible. But what do we find? The decision taken does not tally in the slightest with the opinion submitted by the European Parliament's Committee on the Environment, Public Health and Consumer Protection, which Parliament itself is probably going to endorse before the week is out.

Finally, there was no discussion at all of consumer policy at this Dublin summit. Perhaps this is because there has not been any Council meeting on consumer affairs under the Irish Presidency, although one was promised.

Mr President, we are still very far from having preventive, integrated, participatory policies on the environment and consumer affairs. And that is really very disappointing.

Mr Focke (S). — *(DE)* Mr President, ladies and gentlemen. The Dublin summit also pledged itself to help fight the famine in Africa. We read that and have heard it again here today. I am grateful to the Irish presidency for its part in bringing this decision about. It is a decision in the right direction. It is a response to pressure from the European Parliament and particularly its Committee on Development and Cooperation, also from European public opinion which has been appalled at what is happening in Ethiopia and the Sahel.

It is also based on the understanding that we shall probably have to live with this catastrophe for the whole of 1985 and up to the next harvest, however that harvest turns out. It explains the far-sighted decision to earmark 1.2 million tonnes of grain for 1985 from the European Community, so that there will be no further hiatus in the campaign. This means 500 million tonnes more from the European Community and 200.000 tonnes more from its Member States.

How is this to be financed? It would have been logical for the Dublin summit to have taken a decision at once

on the question of additional financing. It would then have still been consistent and credible. But unfortunately it did not do this. It was not prepared to mobilize additional funds, with the result that the Commission and we ourselves are now obliged to scrape together what we can from the bottom of the emergency aid barrel of the Fifth European Development Fund of Lomé II and from bits and pieces left over from the 1984 budget which would otherwise be lost.

A good decision, then, but unfortunately a shameful compromise agreement over how to translate it into reality. Once again — and we are constantly finding the Council guilty of this — there is a great inconsistency between what is proposed and what then has to be done to implement the proposals.

This Dublin decision also says — I welcome this, and it reflects the call by the Committee on Development and Cooperation — that there must be greater and better coordination by the Community, the Member States, other providers of aid and the non-governmental organizations. A start has been made. What is needed now is perseverance and further improvement. It is to be hoped that the heads of state and government will bear this in mind at home.

A further section of this decision decrees that priority must be given to medium- and long-term cooperation over development, promoting self-sufficiency in food and devising strategies to provide food. Desertification must be combated and the root of the problem thus tackled. The Committee on Development and Cooperation has also called for this, because it does not want to see no money or possibly less money given to combat the problem in the long term, which is what is really needed, just because we have at present to deal with an emergency.

Efforts on both fronts need to be intensified here. Unfortunately we find that the Council has savagely cut back in the 1985 budget the additional funds which Parliament in conjunction with the developing countries had envisaged in this very sector. Funds intended for the medium- and long-term fight against world hunger, food strategies and self-sufficiency in food have been cut to one-third, or just about half. So much for the credibility of the Council, which gives with one hand and takes away with the other!

The same applies to Lomé III. I have just been in Lomé and was present at the signing. I have seen what hopes the ACP countries have of this convention, how much faith they have that we shall help them. People were dancing and singing in the streets in celebration of Lomé III. I wonder if our financial provision, which thanks to the United Kingdom and Federal Republic will barely be enough to match inflation, will be generous enough to enable the worthwhile new objectives of Lomé III — food strategies, priority rural development, a halt to desertification in Africa and elsewhere

Focke

— to be realized. Here again what the Council does falls far short of what is actually needed.

The European Parliament will ensure that the concern currently felt by the European public does not decline again once there are no more television pictures to remind us. We shall stimulate awareness of the continuing cooperation on development, which needs to be intensified and broadened.

(Applause from the left)

Mr Kyrkos (COM). — *(GR)* The Greek Government put its foot down in Dublin with, as Mr Papandreaou has said, a conditional veto. We criticize the government for not having taken a stronger line at Fontainebleau and before, and for allowing vagueness to persist which has now developed into a clear thumbsdown. The Internal Communist Party of Greece is solidly in favour of Spanish and Portuguese accession because the participation of these two countries will bring a new balance to the Community. It considers, however, that the position taken by the Greek Government, which expresses the interests of the small countries and their demand to be listened to on a basis of equality and not made monkeys of, will make it necessary to look for solutions which are acceptable to all concerned and constructive for the future of the Community.

Mr FitzGerald spoke with a certain optimism which we do not share. What happened in Dublin was revealed to us by Mr Thorn. The leaders of the controlling countries were either suffering from collective amnesia or went there unprepared. Mr Thorn reminded us that work has been in progress on the integrated Mediterranean programmes since 1983. Mrs Focke is right to protest about the sham where Third World countries are concerned. But should we not be protesting about the sham going on in our own house? The European Parliament has repeatedly made its views clear on the things that were treated with disdain or disregarded or trodden underfoot in Dublin, and it has considered them to be an obligation binding on all of us. If we want the Community to be consistent towards the countries of the Third World, it must first be consistent here at home. And when something has been confirmed by joint decisions over the years it is just not on for the controlling countries, which have exceeded the bounds of any legal framework, to go against the decisions of our Parliament and make a total mockery of anything that does not suit their interests. I think that Parliament has the power to rectify things and the shot over the bows with the recent rejection of the budget is a warning that should be taken very seriously.

Mr Rogalla (S). — *(DE)* Mr President, a long Greek minute will also be a long German minute, but basically my intervention is rendered superfluous by the

fact that the Council President is no longer present. I wished to ask him personally about the People's Europe, because I have on several occasions sent him telegrams and have never had a personal reply from him.

My question is quite simple. When will the members of the Council, i.e. presidents, ministers and heads of state, stop listening only to their officials — loyal, well meaning people who are comfortably ensconced in warm offices, who draft all manner of documents, never give a thought to the ordinary citizen, are completely isolated from him and above all are never threatened by unemployment? When will they learn to trust us, because we consider that efforts to establish a People's Europe represent the only chance of getting things going again in a cost-effective manner?

President. — The debate is closed.¹

Pursuant to Rule 67 of the Rules of Procedure, I call Sir Fred Catherwood for a personal statement.

Sir Fred Catherwood (ED). — I should like to make a personal statement in view of the attack on me personally by the chairman of the Committee on Economic and Monetary Affairs and Industrial Policy. I understand that I am entitled to make a statement in reply.

I am deeply shocked that the chairman of a committee, and a senior committee at that, should attack one of the members of that committee in public debate. I actually do not think I can remember any committee chairman publicly attacking a member of his committee in debate in the whole lifetime of the directly-elected Parliament. I really do not see how a committee chairman can hope to retain his impartiality and the confidence of his members if he makes personal attacks on their integrity. I am reminded that his two predecessors were Jacques Moreau, with whom I had extremely good relations — although we were from politically very different parties — and before that Jacques Delors. I cannot imagine either Jacques Moreau or Jacques Delors making a personal attack on a member of his committee. He accuses me of claiming hypocritically to care for the unemployed while all the time I do nothing of the kind.

He accuses me of claiming that I have made some contribution to European economic recovery when I actually do not care anything about it. I did not claim anything at all in the speech I made yesterday. I simply said that while I had anything to do with the economic recovery programme — which I had with the five other committee chairmen from different political parties — I tried to keep the spirit which I think committee chairmen should keep; I tried to keep a spirit of

¹ *Tabling of motions for resolutions on the European Council: see Minutes.*

Catherwood

compromise so that we all acted together to try to help promote economic recovery. I would commend to Mr Seal the spirit that Jacques Moreau and the other chairmen showed if he wants to continue as chairman of the Committee on Economic and Monetary Affairs and Industrial Relations, and have the people who are in that committee working with him.

(Applause)

4. Appointment of the new Commission

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

- the report by Mr Formigoni, on behalf of the Political Affairs Committee, on the appointment and swearing-in of the new Commission (Doc. 2-1119/84),
- the report by Mrs Vayssade, on behalf of the Committee on Legal Affairs and Citizens' Rights, and the appointment of Lord Cockfield as Member of the Commission of the European Communities and on the interpretation and application of Article 10 of the Treaty establishing a single Council and a single Commission of the European Communities (Treaties, 1985, Article 785) (Doc. 2-1145/84).

Mr Formigoni (PPE), rapporteur. — (IT) Mr President, ladies and gentlemen, the motion for a resolution that is before us today was drawn up by me on behalf of the Political Affairs Committee of which I have the honour to be Chairman. It concerns one of the institutional problems that has been most debated within our Parliament, namely the relationship that links our institution with the Commission, the executive arm of the Community. It is a question that, in my view, is of the utmost importance to the furtherance of the process of integration between Member States.

The European Parliament, through its intervention in the process of forming the executive arm of the Community, intends first of all to strengthen the primary rôle of the Commission. This is an aim that, already on other occasions, has been the concern of our Assembly. I should like to refer to all of these occasions, because they are all important, but that is obviously not possible. I would recall only that, in 1979, the 'Three Wise Men', in their report on the European Institutions, observed that the rôle of the Commission had declined, compared with the level of prestige and authority that characterized this institution in the first years of the Community's existence. And, moreover, the report of the 'Three Wise Men' had already been preceded in May 1978, by a report by Lord Reay on inter-institutional relations, which was also presented on behalf of the Political Affairs Committee, and spe-

cifically dealt with the question of the appointment of the Commission.

Well, the motion for a resolution that we are about to examine and then vote on, ladies and gentlemen, is in line with these stated positions and with another authoritative precedent, which I should also like to recall. I refer to the passage in the Wedel report in which, whilst excluding that the members of the Commission should be nominated by the European Parliament, it was said that Parliament had co-decisional powers so that it could help, together with the governments of Member States, achieved the objective of ensuring that the composition of the European executive should be the best possible one.

Ladies and gentlemen, the reasons underlying the initiative of the Political Affairs Committee are obvious and, I believe, can have the wide agreement of this Assembly. The Political Affairs Committee, moreover, approved this motion for a resolution by a very large majority. What are we seeking to achieve with our motion? We wish to emphasize that the European Parliament wants to play a part in the formation of a new Commission. As the European Parliament, we wish to know the guidelines for the Commission's political action programme, before giving it our approval. And we want, definitely, to make closer the relationship between the European Parliament and the executive. We, the European Parliament, also want the Commission — whose members are still designated by the Governments of Member States — to enjoy, from the day that it is constituted, the support and agreement that only the institution that represents the peoples of the Community can give it.

In this way we intend to oppose a tendency, which is, alas! widespread, that seeks to reduce the Commission's rôle to the execution of merely technical or secretarial office functions, increasingly reducing its political and operational capability. The vote of investiture and confidence in the new Commission — if Parliament decides to accord it that vote — will fully reconstitute the independence of action of the Commission and stimulate its creative capacity, which is indispensable — today more than ever before — in the context of the world in which the European Community has to act.

Ladies and gentlemen, I should like also to add that, in reality, the motion for a resolution that is before us today does not introduce any absolutely new element from our Parliament's point of view. Already where the previous Commission was concerned — of which Mr Thorn was appointed President — our Parliament, at its plenary session of 12 February 1981, expressed itself in these terms: 'approves the investiture of the Commission', asking at the same time to be given a share, in the future, in the appointment of members of the Commission on the occasion of its renewal.

Well, the investiture of the Commission, which at that time could have been interpreted as an unpublished,

Formigoni

and I would say almost irrelevant, expression in the relationship between the executive and the Parliament, today becomes a politically concrete procedure, which can be codified by Parliament on the basis of the resolution on which we are to vote. Naturally, all of us, or at least the majority of us, must now be in agreement on the stages of this Parliamentary investiture procedure. In the Political Affairs Committee there were initially two lines of thought on this subject. After a great deal of hard work, and after having had an exhaustive and very fruitful meeting with President Delors on the subject, the Political Affairs Committee of the European Parliament approved by a wide majority the motion that we are submitting to you today, namely that the debate in the part-session of January 1985, on the Commission's programme, be concluded with the vote of investiture and confidence, if the statement presented by the Commission meets with the approval of the members of the European Parliament.

Why do we propose this procedure? Because it seems right to us that the European Parliament should immediately express its agreement or disagreement to the new Commission. Waiting a month, or even two, before the formal appointment of the Commission by Parliament, would mean that the Commission would start its work quite independently of what our verdict was — taking, that is, decisions of fundamental importance to its subsequent work without regard to the views of the European Parliament.

That is why the Political Affairs Committee, after having carefully examined the different possibilities, came out almost unanimously in favour of the proposal that, as early as the part-session in January, 1985, Parliament should express its opinion immediately after the statement outlining the broad lines of the Commission's programme. And it is to this point in particular, ladies and gentlemen, that I should like to draw your attention today. I should like to emphasize that it is not a question of our establishing here and now whether we shall accept or not accept the new Commission's proposed programme. This we shall have to do, and it will certainly not be easy, in the month of January. What we have now to decide, in this part-session, is the definite procedure by which we shall grant or withhold our confidence in the new Commission and will formalize its appointment, giving it the official blessing of democratic representativeness.

Finally, ladies and gentlemen, I should like to use these last few moments of my speaking time to say a word about the proposal put forward by the Political Affairs Committee, regarding the procedure whereby the members of the new Commission are called upon to be sworn in by the President of the European Court of Justice. We ask that the new commissioners shall take on this solemn commitment here, in the Chamber of the European Parliament at Strasbourg. This proposal was put forward in the Political Affairs Committee by Mr Hänsch, the first Vice-Chairman of the

Political Affairs Committee, to whom I very willingly acknowledge the intelligence and farsightedness of this idea, which the Political Affairs Committee adopted by a very wide majority. What is the idea behind this proposal? It is to give the appointment of the new Commission a solemn character that will be evident to European public opinion, which the Community — as so many of us have been repeating for so long, now — all too often regales with scenes that are discouraging and certainly not edifying. The solemn investiture here at Strasbourg, with the Commission being sworn in by the Court before the European Parliament, would on the other hand be a welcome scene, capable of bringing new hope to Europe.

I should like to add, Mr President, that this idea was received most enthusiastically by the press and television, whereas the idea of rejecting the motion, which I heard circulating among a few members of the Parliament, provoked the greatest dismay amongst members of those two sections of the media. Some of them, journalists of various nationalities, even stopped me to ask whether we were not out of our minds to think of rejecting this motion. I will go so far as to repeat the expression that was used, even though it is perhaps not quite in order: they asked me 'if we were mad' — they said 'vous êtes complètement fous' to think of rejecting the proposal for this solemn swearing-in.

Mr President, I can only agree wholeheartedly with this view of the journalists, and I hope that the majority of the members of our Parliament will approve of our motion in its entirety.

Mrs Vayssade (S), rapporteur. — (FR) Mr President, ladies and gentlemen, the report that I have to present to you today on behalf of the Committee on Legal Affairs and Citizens' Rights is, I believe, entirely consistent with what Mr Formigoni has just been talking about, in that it seeks to maximize and strengthen the Commission's capacity for action by ensuring its complete independence.

Article 10 of the 'Merger Treaty' stipulates three prerequisites for membership of the Commission of the Communities: competence, independence beyond doubt, and nationality of a Member State.

The Treaty gives no other details about these requirements and, in particular, there is no list of incompatibilities such as the list applicable in the case of Members of this Parliament. We nevertheless felt, in the Committee on Legal Affairs, that membership of a Member State's legislature was incompatible with the independence to be expected from a Member of the Commission and that where such an incompatibility arose — as in several instances in the past, notably in the case of Members of the Commission wishing to stand in elections — one had to decide either to join the Commission or to withdraw.

Vayssade

In the case that we are discussing today, involving one of the Commissioners nominated by the United Kingdom, who is a member of the House of Lords, there was therefore a problem, and this problem was referred to us for examination. Lord Cockfield is a member of the House of Lords, and he is a member of the House of Lords for life. He is therefore not in a position to resign, which would be an option in different circumstances or in the case of membership of other assemblies.

Does this then mean that he is a member of the legislature of a Member State and therefore disqualified from being a Commissioner of the European Communities?

On a closer examination of his position in the light of the Standing Orders of the House of Lords, we found that Standing Order No 20 allows members of the House of Lords to take leave of absence, on request, so that for a time they have nothing to do with the business of the House, attending no sittings, not voting, and therefore taking no part in the legislative process.

The majority of the Committee on Legal Affairs took the view that the requirement of the Treaty would be met if Lord Cockfield applied for leave of absence, thus severing all connections with the British legislative process so that there would no longer be any obstacle to his membership of the Commission as long as he remained on leave of absence throughout, on the understanding that any thought of returning to the House of Lords would place him under an obligation to resign from the Commission.

This was the majority decision of the Committee on Legal Affairs.

I have to report that a substantial minority was not of this opinion, taking the view that the status of peer could not be disclaimed and that leave of absence was not sufficient. I nevertheless believe that the interpretation proposed to you by the Committee on Legal Affairs is the fairest one, and moreover it agrees with the interpretation of other legal services of the Community. However, we must always be very careful whenever circumstances arise in which the independence of the Commission may be in question.

(Applause from the left)

Mr Prag (ED). — Mr President, could you tell us what is going to happen to this debate on this particularly important subject? We are now approaching 7 p.m. at which time, I understand, Question Time is due to begin. I would be interested in knowing where the remainder of the debate fits into the agenda.

President. — We shall interrupt the debate at this point.

It will be continued tomorrow during the night sitting after the Wiczorek-Zeul report.

IN THE CHAIR: MRS CASSANMAGNAGO
CERRETTI

Vice-President

5. *Topical and urgent debate (announcement)*

President. — Pursuant to Rule 48(2) of the Rules of Procedure the list of subjects for the topical and urgent debate for the sitting of 13 December has been drawn up.

(The President read out the list of subjects)¹

Pursuant to the second sub-paragraph of Rule 48(2) any objections to this list which must be supported by at least 21 Members or a political group and submitted in writing, setting out the reasons, must be forwarded before 3 p.m. tomorrow, Wednesday, 12 December. The vote on the objections will be taken, without debate, tomorrow at 3 p.m.

Mr Formigoni (PPE). — *(IT)* Mr President, I should like to ask for some information. In the list of motions for resolutions pursuant to Article 48, I have not heard any mention of the motion for a resolution which is down in my name and the names of others, regarding the consultation of Parliament after the conclusion of the negotiations for the accession of Spain and Portugal to the Community.

I should like to know if it is down as a matter of urgency or not, and, if not, why not.

President. — Mr Formigoni, as you are aware it is the political groups, or rather the chairmen of the political groups, who decide on the order of priority. You have just been informed that, under Rule 48, objections may be lodged, provided they are forwarded by 3 p.m. tomorrow, Wednesday. The vote on these objections will be held, without debate, at the same time.

6. *Action taken on the opinions of Parliament*

President. — The next item is the communication from the Commission of the European Communities on the opinions and resolutions of the European Parliament.²

¹ See Minutes.

² See Annex.

Mr Simmonds (ED). — Madam President, firstly, may I welcome Mr Andriessen to this new position replying on behalf of the Commission on agricultural questions. I know that his formal appointment to the new Commission in that capacity is a few weeks away as yet, but for my group can I say how delighted we are to see him there.

Since the European Parliament agreed the resolution by my colleagues, Mr Provan, in September, uncertainly about the imposition of dairy quotas has increased rather than lessened. Will the Commission now please provide an up-to-date statement on the imposition of dairy quotas and the action that they have taken and are taking to ensure that quotas are applied fully and fairly throughout the Community?

What action is the Commission planning on the full imposition of quotas to allow flexibility to ensure a flourishing dairy industry?

Mr Andriessen, Member of the Commission. — (NL) Parliament has asked the Commission to take this opportunity to report on the application of the quota system. As you will appreciate, the Commissioner responsible for agriculture, Mr Dalsager, would have liked to do this himself. However, he is unable to be here because he has to attend a meeting of the Council of Agriculture Ministers that is still in progress, which is why I am now making this statement.

May I begin by thanking the questioner for his kind words and for the support they received in this Parliament.

The Commission is, of course, willing to keep Parliament informed at all times on the application of Community legislation relating to the milk quota system. As everyone knows, the application of this system initially raised various problems. I think this is hardly surprising since it was a new system and had to be introduced at comparatively short notice and therefore had its teething troubles. The Commission has also taken due account of the problems and therefore decided to postpone the date for the first payment of the levy by 75 days, from 30 September until 14 December 1984. It has also stood by its earlier decision that only 50% of the amount due need be paid on the first occasion, that is, not later than 14 December 1984.

As regards the trend in milk production, I can say that considerable progress has been made towards the achievement of the objective set for 1984/85, the reduction of milk supplies to the 1981 level plus 2%. From April to October 1984 milk supplies were 3.4% down on the corresponding period last year and in September and October 5% and 7% lower respectively. Even more promising is the appreciable decline in the production of butter and skimmed milk powder: 9.5% less butter and 16.5% less skimmed milk powder

was produced from April to October than in the corresponding period last year.

If this encouraging trend in milk supplies continues — and I must point out in this connection that the termination arrangement which seven Member States have introduced or plan to introduce has not yet had its full effect — there is every reason to believe that the target of 99.4 m tonnes for the Community as a whole will be achieved in 1984/85.

Eight Member States have already adopted legislation on the application of the levy in their territory. Ireland has taken the required administrative measures, including the communication of the reference quantities to buyers, and the relevant legislative measures are high on next year's agenda. Italy has just taken the necessary steps to introduce the termination arrangement but has not yet taken any other action to apply the levy system. The provisional reference quantities have already been communicated to most producers or buyers who may have to pay a levy on supplies from April to September 1984. It would seem that only in Luxembourg will it be impossible to communicate the provisional reference quantities in time for the first collection of levies.

The provisional reference quantities will be adjusted in accordance with the Member States' decisions on the allocation of specific or additional reference quantities. In Denmark, Germany and the Netherlands the decision-making process concerning requests in these specific cases has almost been completed. Belgium and the United Kingdom have also made good progress in allocating specific or additional reference quantities, and the French authorities have now decided on the premises to be applied to requests for special treatment.

The Member States have made various requests for the more flexible application of the levy system, which would necessitate changes to the Council's regulations. The Commission has studied these requests very carefully but concludes that it should not propose changes to the Council's regulations until it is ensured that the present regulations are being correctly enforced in every Member State. Most Member States are meeting the requirement that they should include the levy system in their national legislation, and in all except Italy the legal basis is completely, or almost completely, in order. At present the Commission is investigating the national arrangements for the implementation of the levy system to see whether they comply with the regulations now in force.

The Commission has decided that action can be taken against Member States which fail to apply the levy system or to implement the regulations correctly. Under Article 169 of the Treaty of Rome the Italian authorities have been sent a letter pointing out that Italy has failed to take the necessary measures. Action may also be taken in the near future against other Member

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States for failure to implement the Community regulations correctly.

As I have already said, Madam President, it has been decided that the first instalment of the superlevy must be paid by 15 December at the latest. The Commission therefore expects the Member States to ensure that these payments are made. Furthermore, the advances for December on Guarantee Section expenditure have been reduced by an appropriate estimated amount.

Mr Bocklet (PPE). — *(DE)* First of all may I as a Christian Democrat wish you, Commissioner Andriessen, all the best and congratulate you on your appointment to this important portfolio of agriculture in the new Commission and on the fact that you are today experiencing a sort of preview of your new responsibilities.

What you have just said on behalf of your colleague was just a review of the facts as they stand at present. May I ask you therefore — does the Commission know whether all Member States will, by the deadline of 15 December, not only declare that they must pay the superlevy, but also pay it? There is a great difference between the two! Indeed, the final funding of this year's budget depends on it. Or am I wrong in thinking that as things stand at present only one Member State will be paying the superlevy on time, whilst the other Member States will not be doing so until next spring?

Secondly, is the Commission prepared to agree to a change from individual farm quota to dairy quota in the Member States? For someone applying the individual farm quota has to pay much more than if he applies the dairy quota, because then he cannot balance out his various production figures.

Thirdly, you know that in a number of Member States the success of the quota system depends on whether the measures which have been introduced on milk returns yield results. In France this has happened. In the Federal Republic it has not happened as yet. One reason for this is that the Commission has not so far been prepared to submit a proposal to change the leasing system, so that milk production can be transferred to other producers, for today leasing costs are higher than milk returns. Consequently any farmer would prefer to lease his land rather than

(The President calls on the speaker to put his supplementary question.)

That was my question, but sometimes you need to explain why the question is being asked. For this reason I ask your indulgence for the fact that I have given a brief explanation of each question.

Mr Provan (ED). — I also should like to give a warm welcome to Mr Andriessen, because we as a Parlia-

ment have had a very warm working relationship with him in the past.

He informed us that the Commission has already made or is about to make a deduction from advances to various Member States' intervention boards as a means of collecting the superlevy due for the first six months. As far as I can see, this raises two questions. How can the Commission calculate what is due either on dairy quota or farm quota until details have been returned by the Member States? Have they made an estimate, therefore, of what this is likely to be?

The second point is: how can they legally do this when the first payment for the superlevy is not due until 15 December? I would be interested to hear the Commission's answer because, presumably, they have taken this decision as a collective body rather than having Mr Dalsager do it on his own. However, I have just heard a rumour that, in fact, the Council of Ministers has decided to put back further the date for the collection of the superlevy. Can the Commission confirm this? Has it yet had confirmation from Brussels because, if this true, it puts the whole quota system in jeopardy?

Mr Wolff (L). — *(FR)* I too should to congratulate the new Commissioner and commend like the clarity of the statement that he has just made.

Even so, I find that a number of problems still remain. I certainly appreciate that it is difficult for the Commission to cover everything and give details on all aspects. Nevertheless, production conditions are significantly different between lowland and upland farming. In a previous question concerning hill farming, I asked whether the Commission was not planning — whether we could not expect in the not too distant future — changes in the system and different quotas. His reply at the time, which was perfectly accurate, was that it was up to each country to pursue its own policy in this field.

However, I can only observe that a further reduction of 0.8% in milk quotas has just been applied. This will have a significant impact in regions where the milk quota has been cut by 1% over a twelve-month period.

President. — Mr Wolff, I would remind you of the need to put short and concise questions to the Institution concerned.

Mr Wolff (L). — *(FR)* The question is as follows: Do you think, Mr Commissioner, that you can calculate the amounts to be allocated, since the Member States do not yet know them exactly, or in fact not at all in the case of some areas? My second question is this: Do you think that it will be possible for the Commission to apply different quotas to upland and lowland farmers respectively?

President. — In view of the points which still have to be dealt with and the limited time at our disposal, I call on speakers to put their questions concisely.

Mr Tolman (PPE). — *(NL)* Mr Commissioner, my congratulations on your appointment and on your maiden speech. I believe the Commission, the Council and Parliament all agree that the system must be correctly applied. But the situation is confused. At the moment the Commission is saying 14 December, the Council has said 15 February, and in September Parliament proposed 31 March. Payment has been deferred then, but not waived. This is where the confusion lies, and hence my question.

Commissioner Dalsager said in committee: payment of 50% by mid-December, only producers whose cases are still being examined need not pay. Can you tell us, Mr Commissioner, what the present situation is? How many cases are still being examined? I think there are many of them in various countries. Producers whose cases are still being examined or have only just been processed have not yet been able to adjust their production. What proportion will have to pay by mid-December? Would it not be far better, as generally agreed, to do as Parliament has suggested and say: we appreciate the situation and payment need not be made until 31 March? Then those who have to pay do so and those who will get the money back straight away do not.

Mr Dalsass (PPE). — *(DE)* Mr Commissioner, I too should like to congratulate you on your new responsibilities. We shall have many opportunities of discussing this or that in the Committee on Agriculture, Fisheries and Food.

You say that Italy has not as yet introduced any legislation to impose this quota system. Do you think it would be possible to regard the whole of Italy as a single dairy, as the Italian Government seeks to do? Would the Commission endorse that? Do you think it is feasible?

Secondly, as regards the quota system, it applies to all areas, good and bad. I have a particular affection for the hill and mountain regions. Do you not think that a special system can be devised for the hill and mountain regions, which are too hard hit by it?

You say that positive results have already been achieved, in that production has decreased. All right, we know that the farmers are not allowed to produce as much. But has the Commission thought about fixing prices for the production which falls within the quota limits? One cannot cut production without setting adequate prices for the quantities which are produced.

Mr Früh (PPE). — *(DE)* Mr Commissioner, I should like to add my sincere congratulations and good

wishes for the difficult task which lies before you and which you will, we hope, complete satisfactorily. I endorse what Mr Dalsass has said. Your words suggested that we could already claim success. But this success is surely not yet a reality, because significant changes and rebellions are taking place in the dairy industry which particularly affect the position as regards income. I hope you will have something to say on this.

Why, moreover, was it not possible to collect the superlevy by the end of the year, given that it was incredibly hard to set up the system in the first six months of the year. Milk production cannot just be turned off like a tap. I trust you have borne that in mind. Is the Commission prepared to complicate trade with quotas, as it is constantly called on to do, a move which you, however, seem to observe from an inflexible standpoint?

Mr Gatti (COM). — *(IT)* Mr Commissioner, you said that production has fallen, and I can tell you that it has fallen, but not because of the regulation that you quoted, since you yourself confirmed that, in various countries, the regulation is still not applied, and therefore the regulation referred to can in no way be given the credit for the fall in production. I should like to ask you therefore, as my first question: 'In view of these difficulties in its application, does the Commission really intend to alter it?'

My second question: 'You spoke of other States in addition to Italy, who apparently have not applied the rule. I think it would be a good thing if you told us who these states are'.

My last question: 'You said that Italy was called upon to respect the Treaty of Rome. Now, the Italian government states publicly — it is in all newspapers — that the Commission apparently gave its assent regarding the national quota for this country.'

I think it is right that we should know whether what the Italian government says is true — and I repeat, it says it publicly — or whether the truth is as the Commissioner has here stated it'.

Mr Andriessen, Member of the Commission. — *(NL)* Madam President, I should like to thank those who have wished me luck and success in the new post I hope to be taking up in a few weeks. This discussion is a welcome foretaste of things to come, and I look forward to my new term of office.

You are all aware of the circumstances and background to the agreement eventually reached by the Council of Ministers on the Commission's proposal for the introduction of a quota system in the Community. I stand by what the Commission has said in the past: if earlier action had been taken by other

means to counteract the trend in production, it might not have been necessary to introduce so radical a system. But now that we have it, I think we have no alternative but to do our utmost to make the best of this system.

If this difficult aspect of common agricultural policy is to succeed, it must above all remain credible, which means that the system as such must not be flouted but applied reasonably and fairly. Proceeding from this general principle, I will now turn to some of the specific questions that have been put.

In answer to Mr Bocklet's question, I have no reason at the moment to assume that the Member States will not apply the current Community rules on 14 December and so fail to pay what is owed.

Mr Bocklet's second question concerned the letting of land and the transfer of quotas. This is a rather difficult subject, as has been explained in earlier discussions. The Commission is now looking into it and must take a decision as soon as possible. I will not therefore express a final opinion on these suggestions at this stage, but I will say that the Commission feels there is still some difficulty in this respect.

In reply to Mr Provan's supplementary question I should like to say the following: the Commission has indeed taken account of the payment of the superlevy when assessing applications and fixing the advances for December. These calculations have been made on the basis of the information on milk supplies forwarded to the Commission by the Member States. In a number of cases the Member States have provided accurate estimates of the additional levies to be paid. This is particularly true of the United Kingdom. Unlike the honourable Member, I cannot see any legal problem since the deductions from applications concern December, and thus the whole month of December, when the Member States are required to pay at least 50% of the additional levy. The deductions referred to concern all the Member States except three: Italy and Greece have been excluded because under the current arrangement they need not make their payments until the end of the marketing year, and Denmark has not exceeded its quota. I can also tell the honourable Member that, like other decisions, this one was taken by the Commission as a collective body.

Regarding his comment on today's Council meeting, I have just heard that there is strong pressure in the Council for a further postponement of the payment of the superlevy. I assume that Mr Dalsager will be informing the Commission tomorrow about the outcome of this Council meeting. I will therefore confine myself to reminding the House that the Commission has already decided to halve any payments due and to put back the payment deadline by 75 days. Payment is, of course, only due where the quota has been

exceeded. In any case, there will have to be a full settlement of accounts at the end of the season.

I am sure — and this brings me back to the remarks with which I began my statement — that it is not Parliament's intention to jeopardize the quota system as such with too much manipulation of the payments.

Madam President, I now come to the questions put by Mr Wolff, who referred to the problems faced by hill farmers. The system includes two special provisions for dairy producers in mountain areas. Firstly, the superlevy will be paid — where it needs to be paid at all — only once, at the end of the season. Secondly, France has been authorized by the Community to modulate the target reduction in milk production in mountain areas. The target reduction for the whole of France is 2%, that for mountain areas only 1%. This is, of course, subject to the total quota fixed for France.

In reply to Mr Tolman's question I should like to say that account has been taken in the rules on the application of the system of the possibility of making exceptions in cases of hardship. Our impression at the moment — and it is a provisional one, of course — is that this gives the Member States sufficient scope to cater for these cases of hardship.

To Mr Dalsass I would say that special provisions has already been made for Italy: payment once at the end of the season. It must be assumed that the trends in the prices of quota milk will be favourable. I would emphasize that the Commission did not agree to the idea of a large national quota, about which Mr Dalsass has evidently read in the Italian press.

In answer to Mr Früh I would say that it was necessary to provide an incentive to reduce production from the outset, and the Commission therefore felt that the system should apply from the end of the first six-month period, albeit with the provisos I have just mentioned. I felt that we should be able to say that, provided the requirement that the policy should remain credible was satisfied, the Commission had demonstrated the flexibility needed to solve any problems that might arise.

In reply to Mr Gatti I should like to say that I feel the figures I have quoted reveal that the system is really effective. I can well imagine that, although the system is not yet fully operative, the fact that it will be in due course has influenced producers' decisions on production. I would also describe that as sound entrepreneurial thinking. A study is being made of the Member States where a mixed price system is being used until a common buying system has been introduced. We must await the findings of this study before we decide what measures should be taken. Although I may not have been able to answer every question that has been put, I hope I have gone some way towards meeting the request for information and the Commission's views.

President. — Thank you, Commissioner. On behalf of the Bureau I should like to offer you my best wishes in your new post.

7. Question Time

President. — The next item is the first part of Question Time (Doc. 2-1160/84).

We begin with questions to the Commission.

Question No 1 by Mr Normanton (H-110/84):

Subject: Loss of employment

Has the Commission considered the unemployment which may arise as a direct consequence of the introduction of legislation reducing or forbidding the use of lead in petrol and will the Commission give urgent thought to making financial provisions from the EEC Budget to deal with this problem.

Mr Narjes, Member of the Commission. — (DE) Although it is not yet possible to gauge how long it will take to implement the new legislation the Commission considers it unlikely that this measure will have generally negative effects on the labour market immediately lead-free petrol is introduced on all the Community markets. Rarely is there a structural change which can in principle be evaluated in advance as clearly as this one and which covers ten or more years. In these circumstances employers can be expected to solve on their own any problems arising from the demand for lead-free petrol.

During this period, ten years or so, the number of the employed will decrease in any case naturally. There will also be a need to create time and jobs in and outside the relevant companies and regions. Thus it can be expected that the development and manufacture of clean engines and accessories not harmful to the environment will help to create new jobs.

Sales of lead — free petrol in the next ten or fifteen years will also increase and thus require considerable investment on the part of the petroleum industry. European manufactures of refinery equipment are also likely to need additional labour to meet this demand. For all these reasons the Commission does not believe that special financial provisions need to be made.

Mr Normanton (ED). — I thank the Commissioner for that very full answer, but may I bring to his notice that in my constituency I have one chemical plant where, upon the introduction of fully-fledged lead-free petrol, when it becomes mandatory, they are quite convinced there will be no alternative for that company but to dispense with the services of at least

250 men and women. Does the Commission not agree with me that where a policy has been established by the Community, in the Community's interests, the Community carries an obligation to make some provision for dealing with redundancies, including the retraining of persons unemployed where this is directly and solely a consequence of a Community policy decision?

Mr Narjes. — (DE) My reply in no way precludes the use of funds available, for example, for measures under the Social Fund or Regional Fund, or the use of other available means. Each case would have to be considered on its merits.

From my own personal contacts with the companies concerned, however. I have the impression that there are no difficulties regarding this matter which cannot be solved over 12, 15 even 17 years.

Mr von Wogau (PPE). — (DE) What is the Commission's position on the report that lead in petrol can cause damage to health when it gets into the blood, particularly in young people? Does it not consider that the proposed date of 1989 for the introduction of lead-free petrol is too late and that it would already be technically possible in 1986?

Mr Narjes. — (DE) As regards the first part of the Honourable Member's question, these reports were a reason for us to seize the initiative and propose suitable Community measures, and also a reason for the United Kingdom Government to approve them.

As regards the second part, considerable doubts exist as to whether this petrol can actually be made available throughout the Community on the necessary scale within twelve months. But whether its introduction should be put off till 1989 for technical reasons is another matter.

President. — Question No 2, by Mr Marshall (H-141/84):

Subject: Auctions

Is the Commission aware that British Fine Art Auctioneers, such as Christie's, have been prevented from holding auctions in France? What action does it propose to take to remove this restriction?

Mr Narjes, Member of the Commission. — (DE) First of all the Commission would refer the House to its reply of 18 January 1984 to a similar question by Mr Pearce. As it pointed out on that occasion France and a number of other Member States differ from the United Kingdom in that they do not permit public auctions of goods or other moveables by private

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dealers. Under French law such auctions have to be conducted by public officials such as an authorized auctioneer, Commissaire Priseur, notary or bailiff. This does not infringe Community law, notably Articles 57(2) or 59 of the EEC Treaty, since the ban on the conduct of public auctions by private individuals applies equally to French nationals and to the nationals of other Member States.

An activity such as public auctions can also under Article 55, Paragraph 1 and Article 66 of the Treaty be forbidden to non-nationals if the activity is reserved by law to public officials and thus regarded as a sovereign act.

In view of this special rule the Commission sees no great hope of success and thus no great urgency in putting to the Council immediately harmonized rules for the conduct of public auctions.

Mr Marshall (ED). — That answer is very unsatisfactory. What the French law in effect is doing is prohibiting an activity in which the French do not excel but others do; public auctions throughout the world are accepted means of selling works of art and it is therefore a protectionist device by the French to forbid that form of selling. Would the Commissioner accept that the result of this is that a number of public auctions take place just outside the borders of France? If public auctions are good enough for the people of Monaco, I would suggest that they are good enough for the people of the Community. Should he not reexamine his answer, which is excessively legalistic and not in accord with the facts of life?

Mr Narjes. — (DE) I agree with my Honourable Friend on one point, that not everything arising out of the law is consistent with the facts of life. I have replied that in view of this law the Commission sees no possibility and no great point in taking up this matter immediately. That is not to say, however, that in due course and in the context of a general liberalization of services not only France but also other Member States which insist on public auctions being conducted by public officials may not be prepared for total or partial harmonization and ready to take appropriate measures.

Mr Kuijpers (ARC). — (NL) I should like to hear from the Commissioner whether VAT rates are also to be harmonized. It is unacceptable that different VAT systems should apply to art auctions in the Member States.

Mr Narjes. — (DE) I fully share the view that harmonization of VAT is desirable and indeed necessary for this reason too. I greatly regret the fact that the Commission has made no progress on the matter. I would add in reply to the first questioner that I believe

it will be easier to agree on harmonization once VAT rates have been aligned, and that prospects for success depend largely on this.

Mr Gerontopoulos (PPE). — (GR) You will be aware that in many instances objects sold at auctions have been stolen from various museums and archaeological sites. I should like to ask the Commissioner whether he does not think that auctions should be subject to checks, that objects which are found to have been stolen should be restored to the countries to which they belong and that auction houses which have accepted stolen objects should be banned from practising in the countries of the EEC?

Mr Narjes. — (DE) My first reaction to the question is that it needs to be divided into a large number of subsidiary questions and answered in depth in a written reply. The first part of the question is this: to what extent must bans on the export of archeological artefacts be complied with, to what extent are they not complied with or can be got round by measures of this kind? Secondly, to what extent do measures of this kind constitute a cover-up of criminal acts? This too is a problem facing the European art market. Thirdly, what is the part played by forgeries or unauthorized copies? All this means such a wealth of individual problems that they cannot be answered adequately during this Question Time. But I shall be glad to consider giving a more detailed answer on behalf of the Commission in due course.

President. — Question No 3, by Mr MacSharry (H-176/84):

Subject: Building and construction industry

Will the Commission give urgent consideration to the drawing up of proposals aimed at stimulating the building and construction industries at EEC level in view of the need to achieve both economic recovery and increased employment?

Mr Narjes, Member of the Commission. — (DE) My Honourable friend is aware that the Commission regards the whole construction industry as extremely important for a variety of sectors of the economy and for the Community's labour market. In view of the very difficult situation currently facing the Community's economy and the construction industry, the Commission is making efforts to develop policies consistently aimed at restoring the balance of the economy and finance sectors and particularly of the labour market. It has declared war on inflation, budget deficits and company indebtedness and is encouraging capital investment and competitiveness on the part of the Community's industry.

The competent Commission departments have begun an inventory of the specific difficulties facing all trade

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and industry sectors involved with construction. The Commission will use its entire body of political instruments to help, for example the general programme on research and energy policy, its policy measures on employment and education, its internal market policy, particularly the question of standards, policy on the development of new technologies and its financing mechanisms.

The main problem is that of financing. The greatest obstacle here is that the excessively high interest rates currently obtaining on world markets have drastically dampened investor enthusiasm. In addition there have always been sizeable differences between the various Member States as regards the financing of large-scale projects by the private and public sectors. Here too the Commission is striving for convergence and is setting in train its financing mechanism, such as the European Investment Bank, Regional Fund and the new financing instrument accordingly.

Funds especially for large-scale projects are also offered by the so-called club of European Community credit institutions specializing in long-term financing, which is dedicated to the provision of funds for large-scale projects involving more than one country.

Mr MacSharry (RDE). — I thank the Commissioner for his reply. Unfortunately, however, I do not see any of the definite proposals requested in the question. The Commission is thinking in terms of convergence and concern and so on. Can the Commissioner confirm that the construction industry plays an invaluable role in generating employment and that investment in this industry is an important means of reducing the differences that exist between the developed and less-developed regions of the Community? Secondly, would he confirm that the importance of the construction industry has been totally ignored and that, as of now, there are a million less people employed in this industry than there were ten years ago? Is he aware that up to 50% of construction workers in Ireland are unemployed? Can he envisage any realistic proposals to resolve this problem which is a very serious one for my country?

Mr Narjes. — (DE) In reply to the first part of my Honourable friend's question I can unreservedly say yes. As regards the second, I would point out that of course the fall-off of employment in the construction industry reflects not only a fall-off in economic activity but also a certain rationalization in the construction industry. As regards the third part, I would say that in those regions which under the Regional Fund receive investment funding promoted by the European Investment Bank and which also benefit under the Social Fund the Community is naturally helping to prevent the currently unsatisfactory level of employment from worsening. The Commission does not expect to see a radical improvement throughout the Community until

such time as interest rates again make construction worthwhile.

As regards Ireland in particular, I am not at present equipped to say whether there is any possibility of asking the Community for a specific measure for Ireland. One would have to discuss this further in detail, bearing in mind of course the whole list of measures I have mentioned.

Mr Newens (S). — What is the Commissioner's attitude to the fact that enormous numbers of people are in desperate need of housing accommodation, particularly in large cities such as London, at the same time that ever-increasing numbers of construction workers who might be building the houses are unemployed? Is the Commissioner aware, for example, that a family in my constituency in Central London was recently burnt to death in sub-standard bed-and-breakfast accommodation of a variety which many thousands of families are forced to accept? Is there not an overwhelming case for switching resources, perhaps from agriculture or elsewhere, to inner cities and also for making London eligible for regional aid to deal with this problem, which would stimulate the building and construction industries and make a contribution both to economic recovery and solving the growing housing crisis?

Mr Narjes. — (DE) Housing construction is a matter for the Member States. I am not aware of the details of the examples which my Honourable friend has just quoted from his London constituency. But I cannot imagine that measures of agriculture policy would help to solve the problem of London. The London problem is also specifically a matter for the United Kingdom's economic policy and furthermore, I would repeat, a problem of interest rates which are not at present realistic.

Mr Balfe (S). — Yesterday the President indicated that the question on the construction of the aircraft for the Leeward Islands Air Transport Authority would be dealt with today. In view of the considerable concern this has caused to members of my union, would the Commissioner make a statement on the matter?

Mr Narjes. — (DE) I'm sorry, I didn't actually hear the question properly. I was unable to grasp the drift of the question from the interpretation.

Mr Balfe (S). — Yesterday the Chair, in answer to an intervention by Mr Newman, indicated that the question about the construction of aircraft for the Leeward Islands Air Transport Authority would be answered today. I assumed that it would be included in the reply to a question on the construction industry, which is what this question is about.

President. — Mr Balfe, I would ask you not to interrupt the discussion of Mr MacSharry's question.

Mrs Viehoff (S). — (NL) The Commissioner says that the construction of dwellings is the responsibility of the Member States. This may be the case, but he argued that rationalization in building was one of the causes of the decline of the construction industry. Given the serious shortage of housing that still exists in various Member States, where people are still living in hovels, where people who have been affected by earthquakes are still living in sheds, I fail to see how he can maintain that rationalization in building is the cause of the decline of the construction industry. I also wonder why, if he stands by this argument, he otherwise says that this is none of our business since the construction industry is the Member States' responsibility.

Mr Narjes. — (DE) I welcome this question because it gives me a chance to clear up two misconceptions. I make a distinction between the construction industry, on the one hand, and housing construction on the other hand.

The construction industry and its operations are of course a field which the Community monitors and for which it feels concern and a degree of responsibility. Housing construction that is to say publicly promoted building measures or those encouraged — if I can put it that way — by government incentives, is a purely national matter. The two areas are connected, but the Commission can only comment on the construction industry.

Second misconception: in response to the question of how one can employ the million construction workers now redundant, I pointed out that these one million construction workers are out of work not only because the demand for housing and construction work has declined, but also because the construction industry has in the last fifteen years undergone a massive rationalization process, and that these two factors have to be regarded independently of one another.

Mr Hughes (S). — I was very interested in the Commissioner's comments, particularly in his view that there is a lack of money available for investment in the building sector. In the UK, where there are over 4 million unemployed, public investment and expenditure have been constantly hacked back. In most parts of the public sector new building and capital investment have virtually ceased and maintenance budgets amount to a fraction of the spending needed, creating a crumbling infrastructure and severe problems for the future. Yet, in the face of this, the British Government promises more of the same but also tax cuts of £ 3 000 m in next year's budget. Does the Commissioner agree that policies are needed to ensure that amounts such as this £ 3 000 m are used to maximize economic recovery

and employment by being aimed at public investment through the building trade?

Mr Narjes. — (DE) In answering this question I would refer first of all to the Commission's annual activity report which was published four weeks ago and which sets out in a carefully studied form the elements which we have to consider and which the governments have to consider in their economic policy-making. The Commission does not preclude the possibility that those Member States which have made some progress in reducing the level of their new indebtedness will take measures of their own to stabilize demand.

Mr Seligman (ED). — Madam President, I am rather surprised you have given the floor to 4 members of that group on the other side and I gather you are only giving it to one on this side. Are we not going back to the rule of one from each group, please?

We have listened to 4 very simplistic questions suggesting you can just throw money at this problem. Is it not true that the main way to get houses built is to build them at prices that people can afford to pay and therefore can afford the mortgages? Therefore, is it not true that lower interest-rates and lower inflation are the answer to the problems of the building trade?

Mr Narjes. — (DE) As I said in my first reply and my subsequent reply the decisive criterion for the reactivation of demand in all sectors — housing construction, commercial building and public works too — is interest rates. Local authorities in Europe could build more again and launch more construction projects if their total interest burden decreased in line with decreases in interest rate so that they could restructure their entire debt pile.

Mr McCartin (PPE). — Does the Commissioner agree that the building of dwellings by governments in Member States with serious public-sector deficits will not solve the economic problems of those states, particularly when those houses must be let at subsidized rents, and that the letting of such houses at subsidized rents can only further aggravate the economic problems of such economies and lead to a further deterioration in their competitiveness?

Mr Narjes. — (DE) I share the concern voiced in this question. A truly enduring reactivation of housing construction requires forms which are not conducive to long-term subsidies, for the further removed housing becomes from the market, the more precarious its position and the smaller its contribution to overall economic development.

Mr Marshall (ED). — Would the Commissioner not agree that the level of interest-rates, which is so vital

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to the future of the building industry, is related to the level of public borrowing and that the recipe of certain Members of spending more money would raise interest-rates and make it more difficult for the building industry? Would he agree that forecasts indicate that the British economy has much rosier prospects for 1985 than the vast bulk of Community countries?

Mr Narjes. — (DE) To take the last part of my Honourable friend's question first, I have no reason to suppose that the forecasts published for 1985 by the United Kingdom Government are incorrect.

Secondly, it is true that the level of public borrowing, of private borrowing and also the resulting level of interest rates are all related on capital markets. But I would add that the question of the level of borrowing also plays a role outside Europe, particularly in the USA, and that it also affects interest rates in Europe.

President. — Question No 4, by Mr Gerontopoulos (H-232/84):

Subject: Financing the construction of sports facilities through Community Funds

The International Olympics Committee has decided to make a close study of the proposal put forward by the President of the Hellenic Republic, Mr Karamanlis, for a permanent site for the Olympic Games in Greece and to draw up a report on the matter. Naturally, holding the Olympic Games in Greece would entail tremendous costs for the country in constructing the requisite infrastructure (sports facilities, hotels, transport infrastructure etc.).

Would the Commission state whether it would be prepared to propose that the construction of the indispensable infrastructure (sporting, social and transport) should be financed through the Community's financial instruments (in particular, the ERDF), if, of course the Greek Government should request this, and would the construction of infrastructure such as stadiums, swimming pools and sporting facilities in general qualify for ERDF finance under the relevant regulations?

Mr Andriessen, Member of the Commission. — (NL) Regional Fund resources may be used for the construction of sports facilities if such support is needed to promote tourism in regions which qualify for Regional Fund aid. That is, of course, a basic requirement. Applications received from Member States for projects of this kind are examined by the Commission in the usual way. It considers whether the relevant conditions have been satisfied and naturally whether the projects concerned comply with the priorities set out in the Regional Fund regulation, which as Parliament knows, will enter into force on 1 January 1985. Thus, if the Greek Government sub-

mits such projects to the Commission, it will consider them in the usual way.

Mr Gerontopoulos (PPE). — (GR) The place designated for the permanent siting of the Olympic Games is Olympia. As you know, the Peloponnese, to which Olympia belongs, is an area which is receiving support from the Regional Fund. I should therefore like the Commissioner to give me a direct answer to this question. Will the sports facilities to be constructed there for the holding of games of worldwide interest, which will be attended by hundreds of thousands of spectators, contribute to the development of tourism or not?

Mr Andriessen. — (NL) I have not denied that the Olympic Games invariably have the effect of promoting tourism. That is a fact. I therefore believe that projects connected with the Olympic Games could be considered. In general terms I am thus able to answer the honourable Member's question in the affirmative.

Whether such projects can be included among the priorities that eventually have to be set, given the limited resources available to the Fund, is not a question I can answer at the moment. But as I have said, if the Greek Government plans to provide a permanent site for the Olympic Games in Greece and submits appropriate projects to the Commission, they will be treated accordingly.

Mr Vandemeulebroucke (ARC). — (NL) I find the Commissioner's answer rather surprising. In view of the many priorities that are under discussion for Greece and other countries, I do not think there should be any talk of megalomaniac projects. My question is therefore linked to Question No 14, which calls on the Community to contribute towards the financing of a five-year Greek programme. I want to ask the Commissioner whether it would not be much better to help the poorest areas of Greece under the five-year Greek plan rather than helping to provide infrastructural facilities for the Olympic Games as part of some megalomaniac project.

Mr Andriessen. — (NL) I have just explained what is possible under the Regional Fund regulations. The Commission will, of course, have to weigh the priorities, as I have said. How far the Commission will go along with what the honourable Member chooses to call megalomaniac plans is, of course, a decision that I cannot and will not anticipate. When matters of importance to a Member State are appraised, what the national authorities and governments think and say about them must also be considered. This applies not only to Greece but to all the Member States of the Community.

Mr Van Miert (S). — (NL) Does the Commissioner not feel that, if the Olympic Committee should opt for

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a permanent site for the Olympic Games to replace the travelling circus we now have, the project will be very important for the whole Community and that therefore thought might well be given to a special effort on the part of the Community to create a permanent infrastructure for the Olympic Games, which would then after all take place within the frontiers of the European Community?

Mr Andriessen. — (NL) I believe this is a factor that I will recommend the Commission to consider very seriously if and when it should receive applications.

Mr Rogalla (S). — (DE) Our discussion shows what a fascinating subject the Olympic Games are. I would not wish to pour cold water on my Greek friend's hopes when I say that, whilst a project of this kind ought certainly to be considered as part of the Integrated Mediterranean Programmes, I wonder if the Commission is aware that not only Greece, but also the Ruhrgebiet is seeking to host the Olympic Games and is asking for Community funds. If it is not, I take it upon myself to tell the Commission now!

Mr Andriessen. — (NL) The Commission is always extremely pleased when it is not only asked questions but also receives information in this Parliament. I am therefore most grateful to the honourable Member for the information he has provided. I was aware of these plans, but this may not be true of the whole Commission. I might add that other cities in the Community are candidates for the Olympic Games, as Parliament undoubtedly knows. I would point out that the Greek idea is rather different in that, as I believe Mr Van Miert said, it concerns a permanent site for the Olympic Games in the Community. I am not therefore saying that other projects would not be considered. All I am saying is that we are now talking about the application of a Community regulation which can only be applied to a limited area of the Community. We are talking about the Regional Fund, and I do not know if it goes entirely without saying that the areas to which the regulation applies can be extended as far as the last speaker seems to have implied.

Mr MacSharry (RDE). — Arising from the Commissioner's first reply, could I ask him, whether he has examined the possibility of having a certain percentage of the European Regional Development Fund or the Social Fund set aside specifically for the provision of sporting facilities in certain parts of the Community?

Mr Andriessen. — (NL) As far as I know — and I must unfortunately admit that I cannot recall every last detail of the regulation that will be entering into force shortly — a specific amount has not been set aside in the Fund for this kind of activity. To be

honest, I even wonder if that would be desirable. I believe that the disbursement of the Fund's resources should follow a more general weighing of the priorities. I doubt that specific sports projects, in which I would explicitly include infrastructural facilities to enable these sports events to take place or to be reached by the public, would figure among the priorities. I think an *ad hoc* approach under more integrated programmes is better than setting aside specific sums for each activity or sector. This is a provisional and more or less personal opinion, because I do not know for the moment precisely what the wording is on this aspect.

Mr Collins (S). — Arising from the Commissioner's commitment to supporting sport — which I must assume would include the sport of Commissioner baiting — and arising from agreement to eschew travelling circuses, will the Commission therefore lend support for a single meeting place for the European Parliament?

Mr Andriessen. — (NL) I would have preferred, Madam President, to see the last Parliament take a decision on this itself.

President. — Question No 5, by Mr Musso (H-242/84):

Subject: The social and economic situation and development of the regions of the Community.

The second Periodic Report on the social and economic situation and development of the regions of the Community lists, in Chapter 7, Paragraph 1 (5) (7.1.-5), 'the regions facing the most serious problems in the Community'; these include Corsica and the French Overseas Departments (D.O.M.), the only French regions situated at more than one standard deviation below the Community average.

Why has the Commission not yet classified Corsica a top priority region like the D.O.M. (France), the Mezzogiorno in Italy or most Greek regions, and can it state when it intends to do so?

Mr Andriessen, Member of the Commission. — (NL) In answering the honourable Member's question, I will begin by saying that the words 'top priority region' do not appear in the Regional Fund regulation. This quite simply means that Corsica cannot be classified as such under the regulation. I would add that, if the situation in Corsica is compared to that in other regions of the Community, Italy's Mezzogiorno, for example, it should be said that Corsica ought to be designated one of the regions of the Community that face serious problems. Per capita incomes and the employment situation are roughly comparable. This

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means that, for the purposes of the Regional Fund, Corsica is classified with such regions as Ireland, Northern Ireland, the Mezzogiorno, most of the Greek regions, the Overseas Departments and various regions in the North and West of the United Kingdom, central Italy and Belgium and can therefore be treated in the same way as these regions. There is consequently no reason for specific measures to be proposed for Corsica.

Mr Musso (RDE). — (FR) I thank the Commissioner for his reply, but he will not be surprised if I tell him that it does not satisfy me. I am afraid that he may not have understood the question.

I appreciate, Mr Commissioner, that this matter is not strictly within your area of competence, since we shall be dealing with you on the subject of agriculture in future. I should like you to reread my question and address yourself to the most recent report on the regions of the EEC. The word 'regions' is not my invention. There is a special report, prepared by the Commission, the institution of which you are a Member, on the regions of the EEC, and this is the first report in which Corsica is dealt with individually, having been attached to the Provence-Côte d'Azur region in the past. For the first time, it has been separated from the Provence-Côte d'Azur region and it has therefore been possible to produce specific figures for the various indices in Corsica. As is clear from this report, or rather from the indices that have been calculated, Corsica is part of what is called a specific region, one of what you in the Commission call top priority regions.

According to the Commission's system of classification, Mr Commissioner, there are top priority regions and priority regions.

I therefore repeat my question. I should like to know why it is, despite the commitment given by Mr Commissioner Natali when writing on 5 April 1984 to the chairmen of the Corsican chambers of commerce, that Corsica has not yet been classified as a top priority region? I am anxious to see this region classified as a top priority region, alongside the other regions to which you have just referred.

Mr Andriessen. — (NL) There appears to be some confusion here. I did not deny that Corsica is one of the regions that qualifies most for Community assistance. I explicitly said that in the Regional Fund this region is put on a par with other areas that are accorded priority treatment. However, I cannot help it if the Regional Fund regulation does not include the words 'top priority region'. These words appear in the Social Fund regulation but not in the Regional Fund regulation. But if other Community instruments, in which such notions do exist, provide for special treatment for Corsica, I am quite prepared, at the honou-

ble Member's urging, to draw the fact to the attention of the appropriate Commissioners, but this is not at present the case with the Regional Fund.

Mr Ulburghs (NI). — (NL) I should like to ask, first, what applications have already been received for aid to Belgian Limburg, the Corsica of the mainland; second, what assistance has actually been provided; third, if there are further opportunities for granting special aid to this province, where there is a danger of mines being closed and multinationals like Bluebell are closing their doors.

Sir James Scott-Hopkins (ED). — Madam President, I gather that we have finished Question Time. In that case the point of order that I am making is that my Question is No 13. We have managed to deal with precisely five questions in what is meant to be one and a half hours of Question Time. That I find absolutely appalling and completely unacceptable. I am not apportioning blame to you Madam President, to the Commissioner or to my colleagues, but in point of fact we really should get through more than that. I know that at the beginning of Question Time a lot of time was taken on the matter of milk quotas and so on. However, if that was so and it was known to be so by the Presidency, then arrangements should have been made for Question Time to go on longer. I find it quite unacceptable that we have only managed to take five questions in the short time we have had for questions here today. I am not saying that my question is more important than anybody else's, but we really must do better than we have done this evening.

(Applause)

Mr Cryer (S). — On a point of order, Madam President. The agenda that we adopted does say that Question Time will go on for an hour and a half. Since we have only had three-quarters of an hour, does this mean that the outstanding three-quarters of an hour which is due for Question Time will be allocated tomorrow in addition to the Question Time that is down for Foreign Affairs. Rule 44(1) says:

Question Time shall be held at each part-session at such times as may be decided by Parliament on a proposal from the enlarged Bureau.

Now the proposal was for an hour and a half. It was agreed by Parliament and it seems to me, therefore, that you could pass on the information that the remaining three-quarters of an hour that is outstanding should be allocated tomorrow, particularly bearing in mind that we lost Question Time at the last part-session despite the many objections and protestations of Members of the Assembly.

President. — Ladies and gentlemen, if instead of raising questions of this sort Members complied with the

President

request I repeatedly made to the House for greater conciseness, we would have made greater progress on this particular item.

Mrs Van Hemeldonck (S). — *(NL)* Does the Commission realize that there are also regions in the North of the Community that are having very serious problems and that the reorganization of a multinational will mean the loss of 900 jobs in Limburg. This is, of course, partly due to the Community's failure to implement the Vredeling directive.

Mr Andriessen. — *(NL)* I am well aware that there are very serious social problems throughout the Community at present and that all the Community's regions are trying to obtain all available resources for themselves. This does not alter the fact that the Regional Fund in its present form has certain priorities. In addition, there are opportunities for undertaking certain projects, supporting programmes and so on in areas where restructuring is taking place. I believe this makes for a reasonably balanced Fund. The original question concerned, I believe, the most backward regions of the Community. In the past Parliament too has emphasized the need for these regions to be given priority. This reflects the solidarity that has been included in the Community concept. I cannot therefore but defend the Regional Fund in its present

form, the form in which it will enter into force on 1 January 1985.

Mr Columbu (ARC). — *(IT)* I will cut short my speech on Sardinia, and simply ask the Commissioner whether there is any intention — and possibility — of increasing the volume of aid to Sardinia, which is third on the list of disadvantaged regions; and could priority aid be granted, seeing that, of the previous aid granted to Italy, only 3.4% went to Sardinia.

Mr Andriessen. — *(NL)* I am afraid I cannot answer this question. I do not have any information to hand on the situation in Sardinia. This question is not, of course, directly connected with the question submitted to the Commission. But I am quite prepared to provide the honourable Member, and Parliament too, of course, with a written answer.

President. — Ladies and gentlemen, because of the hour I am obliged to interrupt our work at this point.

I therefore declare the first part of Question Time concluded.^{1,2}

(The sitting was closed at 8.35 p.m.)

¹ See Annex, Question Time.

² Agenda for next sitting: see Minutes.

ANNEX

Commission action on European Parliament opinions on Commission proposals delivered at the I and II October and November 1984 part-sessions

This is an account, as arranged with the Bureau of Parliament, of the action taken by the Commission in respect of amendments proposed at the I and II October and November 1984 part-sessions in the framework of parliamentary consultation, and of disaster aid granted.

A.I. Commission proposals to which Parliament proposed amendments that have been accepted by the Commission in full

Report by Mr Münch on the proposal (COM(84) 215) for a decision establishing a plan to foster European scientific and technical cooperation and exchanges (1985-88)

On 20 November 1984 the Commission adopted an amended version of the above proposal, to be sent to the Council. The amendments relate to Articles 3 and 5 of the original proposal to the Council and are those requested by the European Parliament on 26 October 1984.

Commission's position at debate: Verbatim report of proceedings, 26 October 1984, pp. 247-248

Text of proposal adopted by EP: Minutes of 26 October 1984, p. 12

A.II. Commission proposals to which Parliament proposed amendments that have been accepted by the Commission in part

1. Report by Mrs Van Hemeldonck on the proposal (COM(83) 498 final) for a directive on air quality standards for nitrogen dioxide

A proposal amended under the second paragraph of Article 149 of the Treaty is to be sent to the Council in the next few days.

Commission's position at debate: Verbatim report of proceedings, 15 November 1984, pp. 226-229

Text of proposal adopted by EP: Minutes of 16 November 1984, pp. 25-35

2. Report by Mrs Schleicher on the proposal (COM(83) 704 final) for a directive on the limitation of emissions of pollutants into the air from large combustion plants

A proposal amended under the second paragraph of Article 149 of the Treaty is to be sent to the Council in the next few days.

Commission's position at debate: Verbatim report of proceedings, 15 November 1984, pp. 226-229

Text of proposal adopted by EP: Minutes of 16 November 1984, pp. 43-53

B. Commission proposals to which Parliament proposed amendments that the Commission has not felt able to accept

1. Report by Mr Pfennig on the amended Commission proposal (COM(84) 384) for a Council decision on the system of Community own resources

'As the Commission considers that it must implement the agreement reached at the European Council session at Fontainebleau, being aware of the urgent need for a solution with regard to Community own resources, it decided at its 755th meeting

(24 October 1984) not to alter its amended proposal for a Council decision on the system of Community own resources (COM(84) 384 final of 9 July 1984).'

Commission's position at debate: Verbatim report of proceedings, 23 October 1984, pp. 25-26

Text of proposal adopted by EP: Minutes of 25 October 1984, pp. 19-27

2. Supplementary report by Mrs Weber on the proposal (COM(83) 528 final) for a decision concerning the adoption of a schedule for the first phase of operation of the information system on the state of the environment and natural resources in the Community (1984-87)

The Commission considers that the text now being discussed at the Council covers most of the points the Parliament wanted. Only one of its requests would entail alteration of the Commission proposal, viz item 10 (broadening the scope to include the sea), as the sum being budgeted for would be insufficient. The Commission feels, therefore, that it is neither necessary nor desirable to revise the proposal for the moment. It will prepare a report, as Parliament requested, by the end of the second year the programme has been in operation at the latest, showing how their requests have been acted on and will, if appropriate, propose additional schemes.

Commission's position at debate: Verbatim report of proceedings, 16 November 1984, p. 260

Text of proposal adopted by EP: Minutes of 16 November 1984, pp. 11-18

3. Report by Mrs Seibel-Emmerling on the proposal (COM(84) 265 final) for a decision establishing a 3rd joint programme to encourage exchanges of young workers within the Community

When the proposal is considered at the Permanent Representatives' Committee's meeting on 6 December 1984 the Commission intends to press for some of the proposals in the parliamentary resolution being accepted.

A decision on the programme is scheduled to be taken at the Council session on Social Affairs on 13 December 1984.

Commission's position at debate: Verbatim report of proceedings, 16 November 1984, pp. 242-293

Text of proposal adopted by EP: Minutes of 16 November 1984, pp. 76-84

4. Report by Mr Parodi on the proposal (COM(83) 750 final) for a draft recommendation concerning the adoption of a European emergency health card

Although the Commission is not intending to present an amended proposal, it has taken note, as Mr Richard stated at the plenary sitting, of a certain number of Parliament's ideas and suggestions, which it will bear in mind during later discussions at the Council.

On 29 November the Ministers of Health met for the first time, informally, since 1978, and among the subjects discussed was the need for joint action to facilitate emergency treatment of persons travelling between Member States.

As the Commission representative, Mr Richard took that opportunity to explain Parliament's point of view concerning the health card and, especially, the need for the Ministers to come quickly to a decision.

(Discussions, on the practical arrangements in particular, are to continue at the Council working party. Another ministerial meeting is planned under the Italian Presidency).

Commission's position at debate: Verbatim report of proceedings, 16 November 1984, pp. 267-268

Text of proposal adopted by EP: Minutes of 16 November 1984, pp. 620

5. Interim report by Mrs Maij-Weggen on the Commission communication to the Council and the Standing Committee on Employment on combating long-term unemployment (COM(84) 484)

The Commission wishes to state that it was very pleased with the amendments proposed by the European Parliament, which supported the Commission's draft resolution and even proposed that it be more strongly worded in some places.

The Commission has not amended its proposal to the Council, but when its representatives presented the resolution to the Council's working party they made considerable use of Parliament's arguments and proposals to try to bring the Council to accept as great a commitment as possible in the resolution.

It will be noted that the draft Council resolution will be going before the Permanent Representatives on 5 December and the Council session on Social Affairs on 13 December.

Commission's position at debate: Verbatim report of proceedings, 24 October 1984, pp. 122-126

Text of proposal adopted by EP: Minutes of 25 October 1984, pp. 38-42

6. Report by Mr Megahy on the Commission proposal (COM(84) 379) for a decision concerning a specific Community scheme to combat poverty

As Mr Richards said in his statements to Parliament on 26 October and 11 November, most of the amendments proposed by the parliamentary committee were on much the same lines as those being proposed at that time by the Council Working Party on Social Affairs. The Commission has made a point of informing the Working Party at its meetings of all the amendments proposed by Parliament.

Some of those amendments have already been accepted by the Working Party — the definition of 'the poor', now very close to Parliament's, being an important example.

However, as Mr Richard explained, for practical reasons the Commission cannot accept two of the amendments proposed. The first of these is the insertion in Article 1 of the phrase 'at least 80% of the total budget will be allocated to projects as mentioned above'; in view of the modest size of the overall budget and the cost of the other parts of the scheme (such as coordination, evaluation, information, etc.) such an amendment would considerably reduce the Commission's room for manoeuvre.

In the second instance the Commission considers that it would be awkward to have to have recourse constantly to an approval procedure (as suggested in amendments 12 and 15 in Document 2-785/84 of 22 October). The Commission will however see that Parliament is informed of decisions on any major question relating to the scheme, as it has done in the past in the case of the document setting out 'specific fields or particular sub-areas for a second specific Community scheme to combat poverty'.

Commission's position at debate: Verbatim report of proceedings, 24 October 1984, pp. 122-126

Text of proposal adopted by EP: Minutes of 25 October 1984, pp. 72-76

C. Commission proposals in respect of which Parliament delivered favourable opinions or did not request formal amendment

1. Report by Mr de Courcy Ling on the proposal (COM(84) 378 final) for establishing the Community's generalized scheme of preferences for 1985

The resolution of 16 November 1984 closing the consultation procedure on the GSP for 1985 endorses the Commission's proposal in the main and does not recommend that their aims be altered or widened.

However, in item 16 of the resolution the Commission is asked to provide Parliament with a report on the economic effects of the GSP as soon as possibly, obviously before revision of the system, scheduled for 1986, takes place.

Such a report was already requested by Parliament in its resolution on the scheme for 1983.

The research institute asked to carry this out (HWWA — Institut für Wirtschaftsforschung, Hamburg) has completed its work and the Commission departments now have the report in German. After the English text has been received and the report has been considered it will be possible to lay the conclusions before Parliament.

Commission's position at debate: Verbatim report of proceedings, 16 November 1984, p. 260

Text of proposal adopted by EP: Minutes of 16 November 1984, p. 6

2. Report by Mrs Braun-Moser on the proposal (COM(84) 348) for a third directive on summer-time arrangements

The Council Working Party on Transport Questions has considered the Commission proposal. It felt that it would be best to keep to the present arrangements, which the second directive established, with a few specific changes. It has now prepared a new draft directive along these lines. It will be suggested that the Council adopt this directive, as an A item, at the session on 11 December 1984.

Commission's position at debate: Verbatim report of proceedings, 11 October 1984, p. 205

Text of proposal adopted by EP: Minutes of 11 October 1984, p. 60

D. Disaster aid supplied since last part-session

Emergency aid for third countries

Financial aid

<i>Country</i>	<i>Sum</i>	<i>Reason</i>	<i>Distributed by</i>	<i>Date of decision</i>
Mozambique	1,000,000 ECU	drought	EEC Delegation/ Zimbabwe	4. 9. 84
Philippines	500,000	hurricane	Médecins sans frontières	26. 9. 84
Cambodia	250,000	floods	EEC Delegation/ Thailand	16. 10. 84
Ethiopia	3,000,000	famine/ drought	EEC Delegation (1.5 m ECU) ICRC (1.5 m ECU)	17. 9. 84
Niger	500,000	drought	EEC Delegation	26. 9. 84
Kenya	1,000,000	drought	Government + EEC Delegation	9. 10. 84
Cape Verde	200,000	rains	EEC Delegation/ Senegal	18. 10. 84
Ethiopia	3,000,000	famine	ICRC (1 m ECU) EEC Delegation (2 m ECU)	12. 11. 84
	1,500,000	famine	ICRC	1. 11. 84
	2,500,000	famine	EEC Delegation	1. 11. 84
	9,000,000	famine	RRC	1. 11. 84
	2,000,000	famine	UNHCR	1. 11. 84
Niger	3,000,000	famine	EEC Delegation	1. 11. 84
Chad	3,000,000	famine	EEC Delegation	1. 11. 84

Mali	2,000,000	famine	EEC Delegation	1. 11. 84
Mauritania	1,000,000	famine	EEC Delegation	1. 11. 84
Burkina Fasso	500,000	famine	EEC Delegation	1. 11. 84
Senegal	500,000	famine	EEC Delegation	1. 11. 84
Sudan	1,000,000	famine	EEC Delegation	12. 11. 84
Rwanda	1,000,000	famine	EEC Delegation	23. 11. 84
Zaire	500,000	famine	EEC Delegation	23. 11. 84
Sudan	400,000	Chadian refugees	UNHCR	23. 11. 84
Central African Republic	100,000	Chadian refugees	UNHCR	23. 11. 84

Food aid

<i>Country</i>	<i>Quantity</i>	<i>Reason</i>	<i>Date of decision</i>
Philippines	350 t powdered milk	hurricanes	3. 10. 84
Niger	3,000 t cereals	drought	9. 10. 84
Rwanda	302 t sugar	drought	15. 10. 84
Ethiopia	10,000 t cereals 350 t powdered milk 250 t butter-oil 200 t vegetable oil	famine	16. 10. 84
Zaire	50 t powdered milk	famine	25. 10. 84
Ethiopia	1,000 t cereals 400 t beans	famine	31. 10. 84 31. 10. 84
	10,000 t cereals		19. 11. 84
	10,000 t cereals		21. 11. 84
Sudan	500 t cereals 60 t powdered milk	famine	6. 11. 84 6. 11. 84
	10,000 t cereals		21. 11. 84
Kenya	13,144 t cereals 5,000 t cereals	drought	5. 11. 84 21. 11. 84
Cambodia	1,200 t cereals	floods	12. 11. 84
Burundi	730 t cereals 100 t vegetable oil 400 t beans	drought	15. 11. 84 15. 11. 84 15. 11. 84
Tanzania	600 t cereals 150 t beans 150 t vegetable oil	famine	14. 11. 84 14. 11. 84 14. 11. 84
Lebanon	250 t powdered milk 100 t butter-oil	refugees in southern Lebanon	14. 11. 84 14. 11. 84
Mozambique	10,000 t cereals	drought	21. 11. 84
Niger	9,000 t cereals	drought	21. 11. 84
Chad	9,000 t cereals	drought	21. 11. 84

Mauritania	8,000 t cereals	drought	21. 11. 84
Mali	8,000 t cereals	drought	21. 11. 84
Papua New Guinea	1,200 t cereals	refugees	30. 11. 84
	160 t fish		30. 11. 84
	30 t powdered milk		30. 11. 84
	12 t vegetable oil		30. 11. 84

Decision of 25 October 1984

Country/agency	Quantity (tonnes)			
	Cereals	Skimmed milk powder	Butter-oil	Other products
Sierra Leone	6,000	400	—	—
Ghana	15,000	1,200	340	—
Togo	3,000	—	—	—
Ethiopia	25,000	—	—	500 v.o.
Somalia	23,000	2,800	500	—
Sudan	7,000	400	50	—
Kenya	11,000	—	—	—
Uganda	—	—	200	—
Tanzania	15,000	1,200	340	300 v.o.
Rwanda	4,000	200	50	—
Burundi	—	100	30	—
Guyana	—	300	185	—
Ecuador	—	200	—	—
Peru	5,000	1,400	200	—
	114,000	8,200	1,895	800 v.o. = vegetable oil

Emergency aid within the Community

Country	Sum	Reason	Distributed by	Date of decision
Greece (Messinia)	100,000 ECU	earthquake	Government	31. 10. 84
Italy (Catania)	200,000	earthquake + hurricane	Government	21. 11. 84

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IN THE CHAIR: MR PFLIMLIN

President

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

1. Approval of the minutes

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

Are there any comments?

Mr Patterson (ED). — Mr President, I have a comment on the Minutes of yesterday and specifically on the item where it says that the first part of Question Time was concluded.

There are two rules which I want to cite here, Rule 44(1), which Mr Cryer mentioned yesterday:

Patterson

Question Time shall be held at each part-session at such time as may be decided by Parliament on a proposal from the enlarged Bureau.

That relates to the decision we took on Monday that Question Time to the Commission should be one-and-a-half hours to be held yesterday. The second rule, Rule 56(2) says:

Once adopted, the agenda shall not be amended, except in application of Rules 47 and 84 to 88 or on a proposal from the President.

Now, nowhere can I find there has ever been a proposal from the President or provision under any other rule that Question Time to the Commission, set down for one-and-a-half hours, should be curtailed to three-quarters of an hour, which is what occurred.

What is more, 95 questions to the Commission were tabled, and only 5 of them were dealt with yesterday. This is quite absurd, Mr President, as you will readily agree, and the question I have on the Minutes is first of all whether it is possible under our Rules to close the first part of Question Time before the full one-and-a-half hours, as decided by Parliament on Monday, are completed, and secondly, when the second three-quarters of an hour of questions to the Commission will take place. Is there provision for the continuation of Tuesday's agenda either today, tomorrow or on Friday?

President. — Mr Patterson, I have taken careful note of your comments and shall pass them on to the Bureau.

Mr Hänsch (S). — (DE) Mr President, in the Minutes of yesterday's sitting Item 10 'Topical and urgent debates — Announcement of the list of subjects — Point II-Disarmament' states the following:

Motion for a resolution by Mr Hänsch and others on behalf of the Socialist Group.

However, the working document states correctly that the motion was tabled by me and 21 other Members, and so it is not a Socialist Group motion. I would ask you to make the necessary amendment.

President. — The Minutes will be amended accordingly.

Mr Elliott (S). — Mr President, I want to raise a point similar to that which Mr Patterson has raised. I agree entirely with his comments and I am glad you are going to refer the matter to the Bureau, because I really do not think we can go on much longer having the proper Question Time which Parliament should have under its Rules continually curtailed.

But I do want to ask you, on a subsidiary point, this. There were on the order-paper some 95 questions to the Commission. Some of these questions were put down 3 months or more ago. Many of these questions are becoming increasingly outdated and somewhat irrelevant and of much less concern, perhaps, than some of the questions which Members may be putting down at this very time. I am concerned to see that in pursuance of a rule which apparently was adopted in the days of the non-elected Parliament in 1976, questions carried over are given precedence. This may be justified on some occasions, but I would ask you earnestly to examine the situation and determine whether in fact it is not perhaps better that some new questions which have a much more immediate impact should be given preference to questions which have been hanging around for many months and in some cases are no longer topical.

President. — Mr Elliott, your comments will also be noted in the Minutes.

I should just like to point out both to you and to Mr Patterson that drawing up the agenda is an extremely difficult task, since we have to include very many reports plus urgent questions and, of course, the debates which we have to hold after hearing statements by the Presidents of the Council and Commission.

But I shall once again pass on to the Bureau the wish expressed by several Members that Question Time should not be shortened.

Mr Cryer (S). — Mr President, I want to refer to Item 13 in the Minutes of yesterday, in which the President announced the agenda for today. In fact, as Mr Patterson has made clear, I raised the point about Question Time being curtailed to three-quarters of an hour immediately before your predecessor in the Chair made the announcement of the agenda and therefore she did not have time to consider making any adjustment. Whilst I appreciate your suggestion, Mr President, that you should refer this to the Bureau, the problem there is that the part-session will probably be over by the time the Bureau has considered the matter and decided to try earnestly next time to have one-and-a-half hours for Question Time. Therefore, many I ask you to use your powers under Rule 56(2) to introduce — not immediately, but after you have given it consideration during the day — an amendment to the agenda so that at some stage, either today or tomorrow, we have the remaining three-quarters of an hour of that part of Question Time?

You may recall, Mr President, that during the November part-session I objected — and several other Members did also — to the complete removal of Question Time from the November part-session. You replied that that was the sort of thing that had been done

Cryer

before. If we do not have the additional three-quarters of an hour it means that for two months the total period of questioning to the Commission has been reduced to three-quarters of an hour. I think I speak for many Members here when I say that that simply is not adequate.

Sir Henry Plumb (ED). — Mr President, you made it perfectly clear at the beginning of the week to the group chairmen that it was going to be a difficult week with regard to trying to get all the matters into the programme; but I want to raise the question of the allocation of speaking time, having looked at the items to be dealt with on the agenda for the rest of this week. Really, I am putting a question to you which I suggest should be considered further by the enlarged Bureau.

During our group meeting last week, when we looked at the agenda, as every group does, allocations of speaking time were made on the basis of the original draft agenda. That left us with 17 minutes in all to deal with all the different economic debates and so on. As well understood this week, the agenda was completely changed and therefore allocations of speaking time to our group were changed as well. For this afternoon and evening, therefore, we were allocated those 17 minutes, but because yesterday's agenda was not kept to — three items were carried over — our original speakers for today — that is, the speakers on competition and taxation — have to be whittled down if yesterday's overflow is to be accommodated.

Alternatively, of course, we could assume that the economic items are not taken today at all, but tomorrow, and tomorrow's items on Friday. As things are, there is only one report on the agenda for Friday (the Viehoff report), and I wonder whether you would not consider moving on some items to Friday. What it really means is slotting in those, two extra items, 275 and 292, which leaves us, if my arithmetic is right, precisely 3 minutes to deal with all the economic debates if we are to spend 4 minutes on the Sherlock report and 10 minutes on Items 275 and 292. Frankly, Mr President, it does make nonsense of making a sensible contribution on these extremely important matters if we are to do so in precisely 3 minutes. I hope, therefore, that you will consider this matter in the enlarged Bureau and come back to it after having looked at it in the light of the new agenda tomorrow, so that we understand more clearly where we are.

President. — Sir Henry, as you are aware, the enlarged Bureau, of which you are a member, is due to meet at 4 p.m. today. This matter can therefore be dealt with at that meeting.

(Parliament approved the Minutes)¹

2. Agenda

President. — I have received from the Committee on Budgetary Control a request that the report (Doc. 2-1266/84) by Mrs Boserup on the closure of the accounts of the European Community for 1982 be placed on the agenda following Parliament's vote refusing the discharge for the 1982 budget.

I would point out that the committee has asked for this report to be dealt with without debate.

I have been informed that ten Members of this House are opposed to this matter being dealt with without debate and have accordingly invoked Rule 34(1) of the Rules of Procedure.

Therefore, in accordance with the same provision of the Rules of Procedure, the report is referred back to the committee responsible.

Mr Dankert (S). — (FR) Mr President, I should like to point out that if there is a request to take a report without debate, it is impossible according to Rule 34(1) of the Rules of Procedure to deal with it during the current part-session. It must therefore be automatically carried over to the January part-session.

Mr d'Ormesson (DR). — (FR) Following certain previous incidents, you decided, I think, to forbid all demonstrations at the entrance to the debating chamber.

Today we are being subjected to another demonstration. No matter how charming it is, it is totally out of place, and I would ask you, Mr President, to instruct that this demonstration should stop so that we can get on with our proceedings in peace.

President. — The matter has been referred to the Questors, since it is their responsibility.

Mr Aigner (PPE). — (DE) Mr President, there is no doubt that Mr Dankert is right in his reference to the Rules of Procedure. But since it is intended only to prevent a committee from rushing an *ad hoc* resolution through Parliament, it ought at least to be possible to adopt this report with debate. I think that the Bureau should settle this question.

President. — I assure you, Mr Aigner, that referral back to committee is automatic.

3. Decision on urgency

Proposals from the Commission to the Council (Doc. 2-1240/84 — COM(84) 711 final) on:

¹ Documents received: see Minutes.

President

I. a decision on the conclusion of an agreement in the form of an exchange of letters between the European Economic Community, on the one hand, and the Government of Denmark and the Local Government of Greenland, on the other, concerning the provisional application of the Agreement on fisheries and the Protocol on the conditions relating to fishing, signed on 13 March 1984;

II. a regulation laying down certain specific measures in connection with the special arrangement on fisheries applicable to Greenland.

Mr Provan (ED). — I think we are falling into a trap here where the Council of Ministers, which is seeking urgency on this matter of Greenland and some of the arrangements for it to leave the Community is concerned. I believe Parliament is being treated extremely shabbily because it would appear that the request for urgency was only received last night. I think before we take a decision we must have a statement from the Council.

Mr Clinton (PPE). — Mr Provan has protested against this already. We have had occasion quite often recently to protest against what is becoming a practice of notifying us of a request for urgency one day and expecting us to give our consent the following day. This is a very unsatisfactory situation. I do not want to exaggerate unnecessarily the significance of the request concerning the Greenland fisheries agreement, but we should not have a situation where we are being asked to act in this way. As you know, we have a sub-committee on fisheries that takes its business and its responsibilities very seriously. We would like to have a meeting of that committee and sit down and check the figures. We have no opportunity of doing this or looking seriously at the agreement. What we have been asked to do really is to rubber-stamp something that has been decided by the Council and the Commission previously. Nonetheless, we realize the urgency and we accept it.

President. — As was announced yesterday, the matter has been referred to us by the Council. I understand Mr Clinton's objections, but this is the only course we can take. The Rules of Procedure oblige us to include this matter on the agenda and to hear one speaker for and one against.

Mr Fich (S). — (DA) Mr President, I would like to speak in favour of the urgent consideration of these matters concerning relations between the Community and Greenland. An agreement was reached in the Council for Greenland to leave the Community on 1 January, but unfortunately only nine countries have so far ratified it. One country has not done so, which will thus cause problems on 1 January 1985. What is now proposed is an interim solution equivalent to the

agreement already concluded. I therefore regard it in fact as a purely technical matter; the aim is to bridge a gap created by one country's failure to ratify the agreement. I would therefore recommend that this be done, with the following two requests: firstly, the question should be placed on the agenda at a point where it is certain to be considered, for there are no more part-sessions before 1 January 1985, and secondly, the committee responsible should be asked to consider the matter without a report to ensure that it is dealt with this week.

Mr Provan (ED). — Mr President, I have already made one or two remarks on this subject. I think it is unfortunate — let us put it no higher than that — that the Council, having had the whole of 1984 to consult Parliament and try and make proper arrangements for Greenland's leaving the Community, has waited until the very last moment to ask us to deal with this by urgent procedure. I think, Mr President, that you would be in order — and I hope you would allow the Council some time to make a statement before we take a decision on whether to grant urgency or not — to demand a statement from the Council as to why it has left it so late. I think it is wrong for Parliament to be treated so shabbily. We have received no documents and no information whatsoever and, as you said, this request for urgency reached Parliament for the first time yesterday. I think Parliament is being treated badly by the Council, and I think we have got to take great care in the way that we proceed from now on. I, therefore, hope that you will ask the Council to make a statement before we vote on this now. We can make up our minds as to what we are going to do.

Mr Wijsenbeek (L). — (NL) Mr President, may I just say that it has once again taken me some time to attract your attention. Ours must be the only Parliament in the world in which a section has to sit behind the President; the same goes for our colleagues on your left, as well. Perhaps when we enlarge again, we could at least bring the President's chair back a few metres.

However, to come to the point, Mr President. A few months ago, I put a question, an oral question with debate, on the fishing agreement with Greenland. Mr Clinton will tell you that it has finally dawned on the Committee on Agriculture, Fisheries and Food that a fishing agreement will soon be concluded with Greenland. I foresaw it long ago.

Mr President, I am pleased that we will be having one more debate on this issue before Greenland withdraws from the Communities. I hope that my oral question with debate can be included in this urgent debate. Unlike Mr Provan, I am prepared.

President. — Mr Wijsenbeek's oral question will be added to Friday's agenda.

Mr Fich (S). — (DA) Mr President, I have nothing against this question being included, but I am slightly concerned at your decision to place it on Friday's agenda, for everyone here knows what happens at Friday sittings — we do not always have time for everything. I would therefore like to have an assurance that the matter will be placed first on the agenda for Friday to make quite sure we can consider it.

*
* *

Proposal from the Commission to the Council (Doc. 2-1241/84 — COM(84) 716 final) on a regulation on trade arrangements between Greenland and the European Economic Community.

Dame Shelagh Roberts (ED), *Chairman of the Committee on External Economic Relations*. — Mr President, I think in fact it is the Committee on External Economic Relations that would be dealing with this matter if Parliament grants urgency. Since Parliament has granted urgency on the previous proposal, I suggest it would be logical to agree to urgency on this one as well.

(Parliament agreed to urgent procedure)

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* *

Proposal from the Commission to the Council (Doc. 2-1242/84 — COM(84) 723 final) for a regulation amending Regulation (EEC) No 2151/84 on the customs territory of the Community.

Mr Rogalla (S). — (DE) Mr President, I do not know if you are taking things in a logical order and, if so, what the logic behind it is. I should like to oppose urgent procedure while at the same time refraining from philosophizing about it. The Agreement in question dates back to 13 March 1984, and I think that our own dignity should dictate that we do everything possible to measure urgency on a different scale from that which the officials in the Council or the Commission use. That is my first point.

Secondly, I am perhaps in the enviable position of being the only one among you to have worked as a customs official on the borders which it is claimed are now customs borders. Although I am only a substitute member of the committee responsible, i. e. the Committee on Legal Affairs and Citizens' Rights, I still feel that I can judge matters with some competence since, as a member of the Committee on Economic and Monetary Affairs, I have drawn up an opinion on a similar question. We are talking here about changing the customs territory of the Community with effect from 1 January on the basis of the exclusion of Green-

land. I can only advise against doing so by urgent procedure, since this would mean that a number of important considerations concerning the Community's customs territory and the contradiction between the Community's customs territory and that of the Member States are not dealt with. I should therefore like to urge you to allow enough time for discussion on the subject and firmly oppose urgent procedure.

Mr Fich (S). — (DA) I would like to speak in favour of urgency, for we must remain logical, we have just granted urgency for the first two points, so we must also do so for the third point, which relates to the same question. The Socialist Group supports urgency. This is a purely technical detail in my opinion, for we have to settle matters by 1 January, in line with what has been decided in all the Community's institutions. Greenland will leave the Community on 1 January; this cannot be altered.

(Parliament agreed to urgent procedure)

Mr Habsburg (PPE). — (DE) Mr President, what is happening outside the Chamber is simply unworthy of Parliament. It is like a Christmas fair or a circus rather than anything serious, and I would ask that the Quaestors, who have obviously done nothing about it, should see to it that order is restored.

(Applause)

Mr Cryer (S). — Mr President, there have been two critics of the collection outside the Chamber and I think that before the matter is reported to the Quaestors, which I think is what you said earlier, there should also be an expression of opinion very much in support of the seasonal collection outside, a seasonal collection for the children of mining families who are out on strike in the United Kingdom due to the intransigence and hard-hearted attitude of the United Kingdom Government. I think that the demonstrations are being carried out in a very proper manner . . .

President. — Mr Cryer, we cannot get involved in a debate. I have already answered that question.

4. Irish Presidency — Political Cooperation — Unemployment

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

- the statement by the President-in-Office of the Council on the Irish Presidency;
- the statement by the President-in-Office of the Foreign Ministers on political cooperation;

President

- oral questions with debate by Mr Arndt and others, on behalf of the Socialist Group, to the Commission (Doc. 2-1088/84):

Subject: Combating youth unemployment

How does the Commission explain the discrepancy between their proposals for action to combat youth unemployment and the funds earmarked in the 1985 preliminary draft budget for the Social Fund?

What steps will the Commission take to improve on the inadequate measures taken by the Council to combat youth unemployment and in the field of redistribution of work?

How does the Commission assess its work for as long as it does not succeed in inducing the Council to ensure that its action on behalf of the young unemployed in the Community produces an effect?

and to the Council (Doc. 2-1089/84):

Subject: Measures to combat youth unemployment

Has the Council taken note of the fact that:

- that European Parliament considers youth unemployment to be a problem of extreme urgency, and has adopted 11 resolutions on this issue since the extraordinary part-session on unemployment in April 1983;
- despite Council decisions, no coordinated measures have been taken at European level commensurate with the tragic situation of young people;
- despite verbal assurances by the European Council and the Council of Social Affairs Ministers the resources of the European Social Fund for combating youth unemployment are being steadily reduced in relation to the total volume of the budget;
- fewer and fewer of the vast number of applications to the ESF can therefore be satisfied;
- consequently, the proportion of unemployed young people who can be assisted at European level is steadily falling;
- millions of young people have no prospects of finding a job and so the economic and psychological plight of a considerable proportion of a whole generation is growing as a result of the indecision and inactivity of the governments of the Member States?

Mr Barry, President-in-Office of the Council. — Mr President, Ireland assumed the presidency in the immediate aftermath of the Fontainebleau European Council. I think the achievements of Fontainebleau

were generally acknowledged as notable, especially the decisions on increased own resources and arrangements for the British and German budgetary rebates. But the very success of that Summit served to obscure somewhat the reality that there still remained to be solved other issues of considerable importance for the Community's functioning and for its further development.

It was clear before the end of 1984 that the Community would reach the 1% VAT limit and it was imperative that a way be found to finance the shortfall in the budget for this year. There was also of course the task of drawing up the budget for 1985 which, it became increasingly clear in the early part of the Irish presidency, would only be approved by the Council if it kept within the 1% limit. Much work remained to be done in the negotiations for the Lomé III Convention. Fontainebleau had confirmed that the negotiations with Spain and Portugal should be completed by 30 September of this year. But we, in assuming the presidency, soon realized how unrealistic this target date was, given the fact that the Community itself had yet to agree on a common position to put to the African countries on all the major issues.

Also outstanding when the Irish presidency commenced was agreement between Member States on a definitive text on budgetary discipline. It became clear as the presidency progressed that unless and until such arrangements were reached, progress on certain other budgetary issues would be blocked. Our presidency had the further task of setting up the two *ad hoc* committees, one on institutional affairs and the other on a people's Europe, and getting their work under way.

Thus, the Irish presidency was faced with what I think it is fair to describe as a formidable set of issues which demanded to be tackled with urgency and with decisiveness. Hopes had been raised by the Fontainebleau decisions that the relaunching of the Community in all its elements could finally get under way. But the climate within the Community seems still un conducive to the exercise of the necessary political will to enable a number of major decisions to be taken.

Mr President, in accordance with established practice I would like in my statement to you to set out the progress made on the various important issues during the Irish Presidency. I should, of course, point out that some three weeks remain before we shed our presidential responsibilities, and during this period there will be a number of important Councils. I very much hope that we will be able to make further advances in Community affairs before the end of this year.

I start with enlargement, appropriately I would suggest, since we have from the very beginning of our Presidency made this an issue of the utmost importance and priority. Spain and Portugal applied for membership in 1977. Yet in July of this year the Irish Presidency was faced with a situation where the cen-

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tral and most difficult chapters of the negotiations were still outstanding. These included agriculture, wine, olive oil, fisheries, industrial tariff dismantling and social affairs. The Presidency set itself the immediate priority of achieving agreed internal Community positions on this range of issues. Clearly, negotiations between the Community and the applicant States could be serious and substantial only when Spain and Portugal could assess Community offers across the board and not on a piecemeal basis. As a result of the agreements we were able to reach at the Foreign Affairs Council in October/November and later at the European Council in Dublin last week, the Community has now put forward proposals on all major negotiation issues, subject, of course, to the reserve which our Greek colleagues have placed on enlargement generally.

The status of the negotiations has been transformed in recent months. We still, of course, have serious, difficult and sensitive negotiations in front of us. In many ways the enlargement negotiations remind me of a marathon race. They have, for instance, been in progress now for six years, and at times during that period many were doubtful about whether they could ultimately be brought to a finish. However, we are now on the final lap. The irreversibility of the integration of Spain and Portugal into the Community, to use the language of the Solemn Declaration which we signed with Portugal in October, can no longer be questioned. The commitment to 1 January 1986 as the date of accession must be honoured.

I am delighted, therefore, to tell the European Parliament, always such a staunch supporter of enlargement, that our Europe of free and democratic nations, which has perhaps for too long been turned inward on itself, has now found the courage and the sense of self-confidence and the political commitment necessary to make enlargement an early reality. The primary objective of the Irish Presidency has therefore been realized. I believe that the dynamic created by our breakthrough on enlargement will have a profoundly positive effect on all areas of Community activity. The Community is on the move again. But the speed of this movement will depend to a significant degree on how committed to reform we can show ourselves to be. My own position on this is quite clear. I have always held, to quote a nineteenth century Irish political leader, that no one can set the bounds to the march of a nation. In the future there seems to be no reason why this should not hold equally true for the European Community.

The most immediate problem facing us early this year was the threat that the Community would run out of funds before the end of the year. We faced this problem, and I believe a satisfactory solution has been found. The supplementary budget was agreed in Council on 2 October, and I am pleased to have this opportunity to thank Parliament for its cooperation with the Council in recognizing and appreciating the extent of the difficulties and expediting the adoption

of the supplementary budget. In addition to securing agreement in the Council, the difficult problem of funding for the proposal was overcome. An intergovernmental agreement for reimbursement of advances would provide the means of overcoming the limitations on Community funding, pending the introduction of new own resources.

You have presently before you the draft general budget for 1985. I realize that there are strong views in this House on the draft budget submitted by the Council. I would ask you, however, to consider the degree to which the recent Budget Council on 29 November has moved towards the position of Parliament. I ask you also to consider just what would be the likely effect of any protracted blocking by Parliament of final agreement on the budget. It would extend for yet another year the divisive financial problem which has preoccupied the Community for so long now. I put it to you that it is in everyone's interest to ensure that there is no impediment in the way of Community financing for 1985.

On 4 December the Council adopted its conclusions on budgetary discipline. It also adopted its position on cooperation with the European Parliament and the Commission. The conclusions on budgetary discipline in no way affect Parliament's powers as part of the budgetary authority. At that Council we decided that we would invite a delegation from Parliament to meet with the Council shortly before the meeting at which we are due to fix the reference framework for the year. In addition, the Council decided that it would invite both Parliament and the Commission to examine ways of procuring the cooperation necessary for a budgetary discipline common to all three institutions.

Another crisis which faced the Community six months ago was and indeed still is the general *impasse* on decision-making and the loss of movement towards European integration. There is a perception amongst our citizens that the Community, in the wake of the long wrangle over the British rebate and the delay in tackling problems of common policies, is somewhat paralyzed and lacking in the will to make some clear substantive movement towards greater integration. A lack of progress in the full implementation of such basic principles as freedom of movement and right of establishment has added to the perception of Community inadequacy.

The European Council meeting at Fontainebleau was very conscious of this perception and decided to set up the two *ad hoc* committees with the task of bringing forward suggestions to break this deadlock, to reform the administrative process, to put a human face on the Community and generally to reestablish the idealism which guided the founders of the Community. We have been pleased during our Presidency to inaugurate these committees, and yesterday the Taoiseach gave an outline of their progress. I am sure that Parliament would be anxious to see both committees bring for-

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ward ideas imbued with imagination and flair that would give the Community a genuine sense of purpose and make the Community both comprehensible and relevant to its citizens.

When I was speaking to you last July, I said that the question of good relations with Parliament was to us an issue of substance and that we saw it as more than a token gesture that had to be made. I hope you will agree that the obligation which we entered into at that time has been fully discharged. Every session of Parliament was attended by an Irish Minister in his capacity as President-in-Office of the Council of Ministers. By the end of this month committees of Parliament will have been addressed by Irish Ministers on 23 occasions. Our desire for good relationships was, I think, further demonstrated by the Taoiseach's prompt and positive response to your request, Mr President, for a meeting between the 10 Foreign Ministers and the enlarged Bureau of Parliament. I believe the meeting consisted of friendly exchanges which marked a milestone in the Presidency and a further stage in the evolution of good Parliament/Council relationships.

Mr President, might I also take this opportunity to say how glad we were to welcome you to Ireland during your recent visit. We see this as a further step towards good relationships between the Parliament and the Presidency-in-Office.

The President-in-Office of the European Council, the Taoiseach, Dr FitzGerald, pointed out to you yesterday that the European Council had welcomed the priority given to the problems of unemployment in the Commission's annual economic report and supported the guidelines set out in that report. As the Taoiseach said, the European Council agreed that the Community and its Member States should take measures to reduce regional imbalances. Significant progress has been made in recent months towards the completion of the internal market. The restoration of Community competitiveness and the strengthening of its technological basis are now major objectives. The conclusions of the European Council are pointers for Community action, action which is vital for our well-being and which I am confident will be carried forward in the period ahead.

In the social affairs area we are focusing attention on unemployment. A number of resolutions have already been agreed in such areas as youth unemployment and the situation of unemployed women. The Irish Presidency is seriously concerned about the increasing number of long-term unemployed. Approximately one-third of those unemployed in the Community have been out of work for more than one year. Long-term unemployment was discussed at the informal social affairs meeting held early in our Presidency and was also a central item on the agenda of the Standing Committee on Employment. The adoption of a resolution on long-term unemployment is a priority, and we shall be seeking the agreement of the Social Affairs

Ministers, when they meet tomorrow, to draft a resolution on action to combat this problem.

We also hope for proposals on a programme of action and research to combat the problem of poverty. In addition we expect progress on positive action in favour of women and the exchange of young workers. As far as the draft directive on information and consultation is concerned, which was formerly known as the Vredeling proposal, I am pleased to be able to report that a report will be submitted to the Social Affairs Council on that.

When I spoke to the Assembly in July, I indicated that the conclusion of the negotiations for a new Lomé Convention was the second major priority of the Irish Presidency. I am pleased to inform you that at the meeting with my ACP colleague, Mr Namalion, Foreign Minister of Papua New Guinea, on 22 November that object was achieved. Last Saturday in Lomé I had the honour of signing the third ACP/EEC Convention on behalf of the Council of Ministers.

The new Convention is another milestone in the development of the Community's relations with the African, Caribbean and Pacific States. It contains all the major features of its two predecessors and a number of innovations which will, I am sure, make it even more effective. With regard to the financial envelope, the new Convention will have at its disposal a combined total of 8.5 billion ECU made up of 7.4 billion for the Sixth European Development Fund and 1.1 billion for the European Investment Bank. For the Sixth EDF this represents an almost 60% increase on the corresponding Lomé II figure. I think you will agree that in the light of the present stringent financial situation of the Community, and the consequent cutbacks which have taken place in other aid programmes, this is a considerable achievement. It clearly demonstrates the Community's continuing commitment to the ACP.

The development of self-reliance and food self-sufficiency in the ACP countries will be the main objective of the new Convention. We want to see this achieved in the agricultural sector by means of integrated rural development and food strategies. The Convention wants to ensure that aid reaches the poorest sectors of the population, particularly in rural areas. It emphasizes the importance of small farming training and the development of distribution networks and outlets within the ACP countries concerned. This will be backed up in the industrial sector by an emphasis on handicrafts and small and medium-sized enterprises.

Another important feature of the new Convention is that for the first time in the history of ACP/EEC cooperation special financial resources will be made available to tackle the alarming environmental deterioration in the countries of the Sahel and other parts of Africa. Our efforts must be increased to counteract the devastating effects of drought and desertification on the lives of millions of people in these countries. I

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am certain that it is only through the combination of environmental and food security sections of the kind foreseen in this Convention that we can imagine the day when famine and calamity, such as we are now witnessing in Ethiopia and other African countries, will be a thing of the past.

During these six months the Irish Presidency has consistently advocated the strengthening of the world trading system. We have taken every opportunity, through international fora such as GATT and at the bilateral level, to encourage our trading partners to strengthen the recovery. In line with this policy the Council of Ministers decided to propose to move forward the Tokyo Round tariff cuts due on 1 January 1986 to 1 July 1985. In order to assist developing countries, tariffs on a number of products of particular interest to them will be rolled back with effect from 1 January next. We recommend this exercise to all our trading partners as worthy of support.

We also welcome the positive outcome of the recent annual meeting of the contracting parties to GATT, which laid the foundation for future multilateral discussions. We hope that this will lead to a better functioning of the world trading system.

In recent months the Community has found it necessary to express concern at the increasing recourse to protectionism by some of our major trading partners. For example, we cannot accept the proposition that problems in certain sectors of the United States' economy can be attributed to competition from Europe. While we are pleased that the US Trade and Tariff Act, as passed, took into account some of our objections, we remain concerned about several features of this legislation. Most recently we have seen the unilateral action taken by the United States in restricting imports of steel pipes and tubes from the Community. This action is contrary to the spirit and probably the letter of GATT. We are at the moment considering the most appropriate and effective response.

The Community's trade deficit with Japan remained unresolved during the period. Both the Commission and the Presidency have been in sustained dialogue with the Japanese. We want to see measures adopted. We will open the Japanese market in order to achieve a more balanced trade flow.

We have to keep and develop our links with the EFTA countries, with whom we share the largest free-trade area in the world. Work has progressed in putting into effect the elements of the joint declaration adopted at the meeting of the Community and EFTA ministers in Luxembourg last April.

The process of completing the Community's internal market has moved ahead. The effects that the full integration of our huge European market can have on the Community economy are being increasingly recognized. The internal market Council on 9 October

agreed in principle on the basic regulation concerning the introduction of a single administrative document to simplify customs formalities between Member States. This break-through has been welcomed by representatives of trade and commerce throughout the Community. Considerable progress has already been made by experts from the Ten on the form of this document. They have been asked to expedite their works so that the document can be brought into use at the earliest possible date.

The simplification of formalities in trade between the Member States will have positive effects on the further development of intra-Community trade. In particular, it will provide an incentive for firms, especially small ones, to view their activities in terms of the whole of the internal market. The elimination of obstacles to trade in such areas as standards, government purchasing policies, telecommunications equipment and information technology will significantly improve the effectiveness of our common market. The recent Council recommendation to open up public markets for telecommunications equipment are further steps along this path.

As I speak to you, the second Transport Council is in session in Brussels. I am able to report that we have made solid progress on a number of fronts. We have been attempting to resolve the difficulties which arise in relation to the measures agreed in principle at the May Transport Council — in particular, difficulties over harmonization of widths and dimensions of commercial and road vehicles. We can only hope that the present Council will be able to reach final decisions on the measures concerned which also include aid for transport infrastructure and increases in the Community quota for road haulage.

The Council is also considering the reports of two important high-level groups set up by the May Council. One is on the Community's air transport system, the other on the future programme of work on inland transport. These reports will be of great value in furthering the development of a common transport policy in the years to come. I share your conviction that we need a new sense of urgency and real political will to make progress in this vital area of the Community's work as in others.

At the Energy Council on 13 November, progress was made in the different aspects of EEC energy policies, particularly as regards decreasing dependence on oil and energy savings. The Council agreed that progress in each Member State and at Community level towards long-term energy objectives should continue to be monitored. They invited the Commission to propose new energy objectives into the 1990s on the basis of a study of energy supply and demand options to the year 2000.

The Council adopted a decision on granting support of 35 m ECU to hydrocarbon technology projects. It

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requested the Commission to submit a new proposal for a programme to cover the next few years. However, differences of approach are evident in relation to the Community's proposals to aid solid-fuel production. Ministers are resolved to achieve the goal of a balanced and global Community strategy for solid fuel. In particular, they decided to continue their efforts to increase the share of fuels in the Community's energy balance.

Mr President, the most significant package of proposals before the Environment Council at present is undoubtedly the group of draft directives relating to air pollution. This is a reflection of the growing importance attached to the need to find a solution to the problem, especially in the light of the acid rain problem in Scandinavia and North America and the problems of forest damage in Central Europe, particularly in Germany.

This Parliament has devoted considerable effort and time to examining the problem and proposing solutions to it. International discussions are also taking place in the broader international community and particularly at the executive body of the Geneva Convention on Long-range Transboundary Air Pollution, to which, of course, the Community is a contracting party.

At the Environmental Council on 6 December, the Ministers reached agreement on the text of a proposal whereby lead-free petrol must be available throughout the Community on 1 October 1989. Member States were invited to make lead-free petrol available on the market in advance of this date if this were possible. Other technical aspects of this proposal were also reached.

Whilst agreement was not reached on the more difficult question of vehicle exhaust emissions, the high-level group, established since November, was asked to seek a solution on the basis of a differentiation between large and smaller vehicles and to report by the end of January. The importance which the Community attaches to trying to solve environmental problems is reflected in the decision of the European Council to have a substantial discussion on environmental issues at the next European Council meeting in March 1985.

In the agricultural sector, work has proceeded during the Irish Presidency on a wide range of important technical issues. I should like to mention briefly that following difficult and protracted negotiations, agreement was secured at the European Council in Dublin last week enabling the Community to agree on a formal policy in the wine sector.

With regard to fisheries, the Presidency has been pressing to secure agreement on the total allowable catches and quotas which shall apply in 1985. In this regard, it is necessary that we complete the consulta-

tions with certain third countries, particularly Norway and Sweden, as soon as possible.

The Presidency attaches particular importance to obtaining, before the end of this year, a Council decision on provisional total allowable catches and quotas for 1985, so the Community fishermen may plan their activities with a clear idea of the opportunities which will be open to them. This is of vital importance to our fishermen.

Mr President, I would like now to review the work undertaken during the Irish Presidency in the field of European political cooperation. During this period, the Ten have continued to consult and coordinate effectively on the major international issues which confront them. Common positions have been elaborated on a wide range of complex topics. While our task has not always been an easy one, we have endeavoured to speak out on international developments with a single European voice.

Under the Irish Presidency the Ten have marked their particular concern for peace and stability in the Middle East. We availed ourselves of a relative lull in diplomatic activity in the region to engage in a careful analysis of the situation there. At its meeting in Dublin last week the European Council reaffirmed the Ten's policy in regard to the Arab/Israeli conflict. In continuation of this policy, and having considered a report on the Middle East situation, the European Council also considered that contacts should be developed with all the parties with a view to seeking ways to improve the situation in the region. The Ten have also reasserted their commitment to the sovereignty, independence and territorial integrity of Lebanon and have called for the withdrawal from Lebanon of all foreign troops, except those whose presence was agreed by the Lebanese Government.

The beginning of the recent Israeli/Lebanese talks has been a welcome development. We hope that an agreement will be reached enabling an early withdrawal of Israeli forces from the Lebanon.

The Ten's position on the Iran/Iraq war remains unchanged. We have continued to express our profound concern at the loss of life and material damage caused by this conflict. We have pressed for a negotiated solution to bring an end to military activity. We have also called on both sides to comply with the principles of humanitarian international law in armed conflicts.

When I addressed this House last July, I said that the overall picture of East-West relations was not encouraging. I promised that the Ten would do all in their power to reduce tensions and to promote more stable and cooperative relations between East and West. During this difficult period the Ten sought consistently to keep open all possible channels of dialogue between both sides and also supported the efforts of

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others directed to this end. In this connection, we welcome very much the forthcoming high-level conference between the United States and the Soviet Union. In our view, sustained dialogue both between the United States and the Soviet Union, and between Europeans in East and West is indispensable and complementary in the pursuit of improved East-West relations and the consequent enhancement of international security.

During our presidency the Ten have made clear the importance they attach to the achievement of balanced and verifiable arms control and disarmament agreements. We have consistently supported the resumption of the vitally important negotiations between the United States and the Soviet Union on intercontinental strategic nuclear weapons and intermediate nuclear forces.

In view of the urgent need to avert the danger of an arms race in outer space, we have also advocated the initiation of talks on this subject between the two leading space powers. We therefore welcome the announcement of the meeting between Mr Schulz and Mr Gromyko in January in Geneva and hope very much that this will lead to agreement on how to carry forward negotiations between the United States and the Soviet Union on these various questions.

The Ten also attach great importance to the CSCE process which has a central place in East-West relations. We have continued to urge full implementation of the Helsinki-Madrid provisions by all CSCE participating States in order to bring about more secure, more cooperative and more humane relations in Europe. Under the Irish Presidency there was close, effective and fruitful coordination among the Ten at a number of meetings held within the CSCE framework. At the Stockholm Conference on security-building measures and disarmament in Europe, the Ten have been working towards achieving negotiated agreement on concrete measures which would increase confidence in security by making military behaviour more open and military intentions more calculable.

The Ten also cooperated successfully at the CSCE seminar on Mediterranean cooperation which was held in Venice recently and at a meeting held in Budapest to prepare next year's CSCE cultural forum in that city.

We have continued to pay close attention to events in Poland. On 23 July we welcomed the announcement by the Polish Government of an amnesty for political prisoners. We expressed the hope that the government's decision reflected a desire to meet the aspirations of the Polish people for dialogue and reform and would be followed by further measures designed to promote national reconciliation. We recalled that it has consistently been our wish to return to more normal relations with Poland as soon as developments in that country permit.

More recently, however, we were shocked by the murder of Father Popieluszko which we roundly condemn. We have noted the stated intention of the Polish authorities to pursue the perpetrators of this atrocity.

As regards nuclear non-proliferation, I should mention that the 10 Foreign Ministers recently adopted a declaration of common policy on the consequence of adoption by the 10 Member States of the London Guidelines which represents a common discipline with regard to nuclear exports.

Mr President, turning to the situation in Central America, which has been a source of continuing concern for the Ten, I would like your permission to respond to Oral Questions Nos 042/84 and 045/84 on the subject of the Ministerial Conference held in San José, Costa Rica on 28 and 29 September in which the European Community and its Member States participated, along with Spain and Portugal, the countries of Central America and the countries of the Contadora Group. The aim of the Ten at this conference was to give practical support, both political and economic, to the efforts of the countries of Central America themselves to bring peace, social justice, economic development and respect for human rights and democratic liberties to the region. We were conscious throughout of the intimate connection between underdevelopment and inequitable social and economic structures on the one hand, and political instability and violence on the other. It is for this reason that the final communiqué of the meeting reflects both Europe's political support for peace-making efforts, particularly those of the Contadora Group, and Europe's firm intention to intensify economic cooperation with Central America.

The Community records the agreement of both sides to continue the political dialogue begun in San José through further meetings at regular intervals in the future. Both sides also declared themselves ready to start discussions as soon as possible with a view to negotiating an interregional framework economic cooperation agreement. At San José all the participants expressed their firm conviction that the problems of Central America cannot be solved by armed force. They can only be solved by political solutions springing from the region itself. In this connection, we affirmed our support for the Contadora process which provides the best opportunity to achieve a solution of the crisis. The Community recognized that the revised draft Contadora Act is a fundamental stage in the negotiation process for peace in Central America. The Central American countries, we hope, will shortly reach full agreement on a final text of the Contadora Act.

The Ten have also been following with concern the deteriorating situation in Chile. In a statement of 11 September we expressed preoccupation with the acts of violence and repression which had followed

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political demonstrations aimed at the restoration of democracy to that country.

Political developments in Africa have also continued to claim our attention. The situation in South Africa was the subject of a declaration on 11 September in which we expressed concern at the arrest and detention of those involved in the boycott of the recent elections to the Coloured and Indian Assemblies in South Africa. Later we formally expressed this concern to the South African authorities and sought the immediate release of those detained without charge.

While further improvements have still to be made, it is clear none the less that the code of conduct for European Community companies with subsidiaries in South Africa has had a positive effect on conditions for black workers there. On 20 November the 10 Foreign Ministers approved the fourth Community analysis of the Member States' national reports on the implementation of the code of conduct.

Under the Irish presidency the Ten developed still further their relations with the Association of South East Asian Nations. I attended the ASEAN post-ministerial conference with the dialogue partners in Indonesia last July. In addition, the fifth EEC/ASEAN ministerial meeting was held in Dublin on 15 and 16 November. In the joint declaration following that meeting the Foreign Ministers of the Ten and ASEAN expressed their satisfaction with the wide degree of consensus reached in current international, regional and political problems. We paid particular attention to the two major threats to peace and stability in Asia, namely the situation in Kampuchea and Afghanistan. Discussions on the economic part of the agenda focused largely on the EEC/ASEAN Cooperation Agreement. Agreement was reached on the importance of increasing European investment in the ASEAN region and it is planned to study the means whereby this may be achieved. It was also agreed to convene a special meeting of relevant Community and ASEAN Ministers early in the New Year for the purpose of reviewing the operation of the cooperation agreement to date and examining ways in which the cooperation might be strengthened to our mutual benefit.

Again during our presidency the Ten continued and developed their coordination of a wide variety of issues within the framework of the United Nations. On behalf of the European Community and its 10 Member States, I delivered a statement at the 39th United Nations General Assembly in which I outlined the Ten's policy on the leading international issues. Within the United Nations framework we have also maintained our close coordination on human rights issues. In my statement to the 39th General Assembly I underlined the Ten's determination to continue to speak out against human rights violations wherever they occur and promote international agreement on standards and procedures with which human rights can be defended. We also adopted a set of prin-

ciples in relation to the increasingly serious problem of international terrorism and the abuses of diplomatic immunity.

I have been asked by Parliament to respond in the course of my address this morning to a number of oral questions put down by members on the subject of Western European Union. It will, I trust, be understood that as only seven of the Ten are members of the Western European Union, the Ten as such cannot take a position on discussions which may take place in the WEU framework. Discussions within the WEU are not a matter for European political cooperation.

Furthermore, it is appropriate that I should recall the significance which the Ten have attached under the Irish presidency to their dialogue with the European Parliament on matters arising in the framework of political cooperation. This dialogue, in our view, was rich in benefits for both sides and can no doubt be further developed. As President-in-Office I have availed myself of the various channels open to me to keep Parliament fully informed of developments and to engage in a wide-ranging exchange of views with Members on the various political issues with which the Ten have been confronted. Speaking personally, can I say that I greatly value the opportunity I have had to hear the views of Members on these issues. I have drawn the attention of my colleagues in political cooperation as a matter of course to resolutions adopted by Parliament on political topics. The formally expressed views of this House are thus fed directly into the deliberative process of the Ten, and indeed made an important contribution to our work.

In conclusion, I would suggest that the Irish presidency has made considerable efforts to reach agreement on solutions to outstanding Community problems. We have in fact, as I have detailed, succeeded in bringing a number of important issues to a successful conclusion. But the essential task of relaunching the Community in all its elements remains uncompleted. This task of course would be beyond the scope and capacity of any one presidency, but I think we have made our contribution. However, the work of the unfulfilled mandate of Stuttgart must continue. I can assure this House that Ireland will continue to play a full and responsible role in meeting this formidable challenge.

(Applause)

IN THE CHAIR: MR ALBER

Vice-President

Mrs Salisch (S). — *(DE)* Mr President let me give the main reason as to why my Group is putting oral ques-

Salisch

tions on the subject of youth unemployment to the Council and the Commission today: we are most dissatisfied in particular with the achievements of the Council, but nor are we 100% happy with the Commission's efforts.

The European Parliament grappled manfully with the subject of youth unemployment in the extraordinary part-session in early 1983, but also in a further 11 motions for a resolution subsequent to that. Any actions taken by the Council of Ministers, Mr Barry, have proven hopelessly inadequate. I listened most attentively to your whole speech and in particular of course to the section on social affairs. I should be very glad if you would listen to me; then you would know what I have to say to you. But I will say it regardless of whether you heed me or not. The Council quoted decisions which really belong to the past. I think the young unemployment of the European Community would be in even greater despair than they already are if they read the same old stereotyped statements of the Council. All of this is crowned by the Council's handling of budgetary affairs. As in preceding sessions we realize once again that for example, the amount set aside for combating youth unemployment in Europe is continually diminishing in relation to the total budget, which means that fewer and fewer young people receive support from the European Community when confronted with educational or occupational difficulties. This is bad because unemployment is on the increase.

As I already said in the last session the social fund is ailing while problems are intensifying. You mentioned unemployment among women, Mr President. It is well known that unemployment among young girls is very high. You mentioned long-term unemployment. That is all very well but the object of this exercise is not to reach agreement on the use of certain words and phrases but rather that you should report to this House what concrete progress has been made. Here there is a gulf between the actions and words of the Council and this is reflected *inter alia* in the budget.

At the beginning of the week there was a controversy in this House over political-economic measures to combat unemployment in general, including of course youth unemployment. Once again it became clear that the colleagues to my left — that means to your right — are still intent on a conservative monetarist economic policy in order to increase investment in the long term and thus to create jobs. But current experience runs counter to this. Of course there has been an upswing in the economy and thus more jobs. Nevertheless we must realize that the overall balance is negative, that in actual fact a two-thirds/one third situation exists in our society, namely that two-thirds are employed while one third is relegated to the fringes of our society and these latter are mainly young people. This cannot be tolerated.

One last comment. The Council still maintains that we need innovation in the area of technology, new tech-

nologies, telecommunications, etc. On behalf of my group I would again like to stress that it would be a fallacy to believe we could create new jobs for young people by placing a one-sided emphasis on this type of innovation in Europe. I quote Mr Sohle, a representative of industry — I hope that does not sound suspect — who pointed out that in the enormous boom in employment in the United States a mere six million of the twenty million new jobs were created by new technologies. If you apply this on a European scale you will realize that this alone cannot help us.

To summarize: we note that at the time of expiry of the Council Presidency the situation with regard to young people has not changed. Now it is the turn of the Commission and its programmes. We expect the new Italian Presidency and the Commission to finally pay heed to the decisions of the Parliament and to act accordingly.

Mr Ciancaglini (PPE). — (*IT*) Mr President, ladies and gentlemen, Mr President-in-Office, the economic crisis which has hit all countries of Europe in the last decades has had devastating effects on economic stability and employment. Never before have we had such high inflation and so many unemployed as in this decade. Economic policies and instruments of economic and monetary policy applied by the Member States and by the European Economic Community have reduced inflation considerably but at the cost of great human sacrifice. On the other side of the coin what is missing is a strategic policy at European level in defence of employment and specific attention to the problems of youth, particularly with respect to the relationship between school and work, the relationship between entering the labour market and the relevant skills, which concerns young people of both sexes, and with respect to guidance and occupational training.

At a time of unprecedented general unemployment the number of young people looking for work amounts to 50% of the work force in Europe today. It is a drastic problem which affects all European families. It could be maintained that in every European family there is at least one person without a job or one young person looking for first-time employment and in the Southern regions of Europe: Italy, Greece, and also Ireland and France, the situation is even more serious. Long-term unemployment was discussed recently in this House. In reality it must be said that all unemployment lasts a long time for both old and young, for men and women. Let us not forget either that a high percentage of young people unemployed today have academic qualifications. This creates additional problems, but it also offers possibilities for meeting the needs for development in many production sectors and in particular, the advanced tertiary sector.

It is not possible to eradicate unemployment with the mere declarations of good will which have been made so far. What is needed are political initiatives at Com-

Ciancaglini

munity level and coordinated action from all the Member States. Above all we must get Europe back on the road to development, to a revival in manufacturing, with a strong emphasis on the employment of labour. This will also require considerable revitalizing of an industrial policy which exploits scientific and technological potential to the full in order to be competitive at international level and above all, to increase productivity with the aim of creating new jobs. In this context a different way of sharing the jobs available today becomes highly significant, involving a reduction in working hours, but not at the same wages of course.

Naturally it will be up to the social partners to settle this contractually. But the Council and the Commission must apply pressure in this direction. The same goes for legislation on part-time work and for action in the area of guidance for occupational training. Therefore, if the fundamental option we wish to adopt is the objective of employment, and particularly of youth employment, we must set aside the declarations of good will and act decisively. Political objectives and the means of achieving them must be defined clearly, adequate *ad hoc* funding decided upon, and the participation of the social partners secured.

Hence the concept and the absolute necessity of a European plan for youth employment and for a far-reaching campaign against unemployment generally as a scourge of our age. The Council's resolution in December 1983 contains many interesting statements which should be taken up again and transferred into effective decisions at the appropriate time. What is needed is coherent and courageous action which has been lacking up to now. In the Commission's annual economic report for 1984 to 1985 an increase in gross domestic product of 2.3% has been forecast. This is a small but significant sign of the upward swing in European development which must be guided and directed towards the creation of new jobs and this must also be the aim of any increase in productivity.

Let us rise to this challenge with courage and determination in order to demonstrate that this Parliament considers jobs to be the greatest and most crucial problem in Europe today. Moreover it is basically a political choice which will lend political significance to the world year of youth as far as the Community is concerned.

Mr President, ladies and gentlemen, Mr Barry, the Parliamentary group PPE, on whose behalf I have the honour to speak, declares that it is fully committed to this fight for civilized values and it is hoping for much genuine support on the launching of a multiannual plan of campaign against unemployment. I hope that the Council and the Commission will implement serious and credible decisions very soon.

Mr Barry, President-in-Office of the Council. — Mr President, I have been asked to reply to a number

of oral questions — first on youth unemployment, then on Central America, finance and Portuguese migrant workers.

With regard to the first question, from Mr Arndt and others, as is demonstrated especially by the measures which the Council has taken in the field of employment and training and in connection with the revision of the European Social Fund, the Council shares the concern which Parliament has expressed and is fully conscious of the seriousness of the unemployment problem and especially the problem of youth unemployment.

The Council stresses that it gives particular attention to measures concerning the organization of working time while fully respecting the system which exists in Member States. It does this to make a special effort to encourage the employment of young people and recalls that in December 1982 it adopted a recommendation concerning the principles of Community policy on retirement age. This recommendation envisaged greater flexibility in national systems. Nevertheless, the Council has to acknowledge that the draft recommendation on the reduction and reorganization of working time, on which there was a substantial measure of agreement last June, has not yet been adopted.

In the course of the reform of the Social Fund in 1983, the Council made provision for appropriations under the fund in favour of young people to be not less than 75% of the whole of the appropriations available. In the draft budget which was sent to Parliament, the Council maintained virtually the whole of the Commission's proposals for Social Fund appropriations. On the wider question of unemployment in the Community, I would refer Members to the statement made in this House yesterday by Dr FitzGerald in his report on the meeting of the European Council in Dublin on 3 and 4 December.

On the oral questions by Mr Habsburg and Mr Hänsch relating to Central America, the various topics covered by the Final Act of the Sixth EEC-Latin American Interparliamentary Conference held in Brussels in June 1983 are to a large extent repeated in the joint communiqué approved by the ministers at the San José meeting, at which it was recognized that, in view of the causes of the crisis in Central America, peace could only be brought about by political and economic action.

As regards the economic prospects, the joint communiqué lists a number of areas in which cooperation could be strengthened. These are agriculture and integrated rural projects, regional integration and trade promotion. Industrial development projects may also be considered where they have a regional impact and are likely to foster the formation of a basic economic fabric composed of small and medium-sized undertakings. Such economic cooperation will also be supple-

Barry

mented by the promotion and protection of investments in Central America.

The joint communiqué also provides for the institutionalization of relations between the two groups of countries, and the ministers from the two sides declare themselves ready to start discussions as soon as possible with a view to negotiation on an inter-regional framework cooperation agreement.

It is for the Commission to propose to the Council, on the basis of the exploratory talks which it is currently holding with the Central American countries, the directives on the basis of which it is to be authorized to negotiate the envisaged cooperation agreement. The Council and the Commission intend to abide strictly by the general principles set forth in the San José final communiqué, which are, moreover, in line with the guidelines agreed by the European Parliament on a number of occasions. Thus, although it has not entered into any specific commitment regarding stepping up aid for Central America, the Community will do everything in its power in the framework of its current and future programmes to help the countries of that region to ensure their development. It should be emphasized that the joint communiqué is devoted essentially to bilateral relations between the Community and the Central American countries and that it therefore makes no mention of other broader forms of cooperation.

However, the European participants emphasized during the San José discussions that the Community contribution to the development of Central America would be greater and might even act as a catalyst if it were possible to use various forms of co-financing with other sources of finance such as the World Bank, the North American countries, Japan and the Contadora Group themselves.

It is not Council practice to consult the United States Government or any other governments, for that matter, on the Community's relations with other partners. It is, nevertheless, perfectly possible that in the framework of bilateral diplomatic meetings Ministers for Foreign Affairs of our countries should have had general exchanges of views with United States Government representatives on various foreign-policy topics, including the problem in Central America.

From a strictly budgetary point of view and subject to the completion of the Community's internal budgetary procedures, it is true that Mr Pisani referred to a possible amount of aid for 1985 of 60 m ECU, resulting on the one hand from the overall amount of aid approved, which will be maintained and from which Central America has already benefited in the past (40 m ECU), and on the other hand from the additional sum in relation to the 1984 budget of 20 m ECU which the Council, in establishing the draft budget for 1985, decided to add as a commitment appropriation

in Article 930, on financial and technical cooperation with non-associated developing countries.

Moreover, during its second reading of the draft budget, the Council increased the amount under this heading by 30 m ECU and 12 m ECU by way of commitment appropriations and payment appropriations respectively, while adding in the remarks column the new indent proposed by the European Parliament and referring to additional assistance for the Central American region.

The introduction of more stable and better organized regional cooperation with Central America fits in with the aim of differentiating policy which takes into account, in accordance with the wishes expressed by Parliament, the diverse and specific nature of situations. It is obvious that such cooperation is likely to strengthen the Community's links with the whole Latin American continent. In this connection, it should be borne in mind that the San José conference provided a meeting place not only for the Central American countries, but also for other Latin American countries of the Contadora group such as Mexico, Colombia and Venezuela, which will not be participating in the future cooperation between the Community and Central America.

Lastly, as regards the Community's obligations *vis-à-vis* the Caribbean ACP countries, an assurance can be given that there is no contradiction with or any form of duplication of, the envisaged cooperation with Central America.

Finally, on the third question, by Mr Mattina: although it is not the custom to reply to unsubstantiated allegations, the Council will point out that the current accession negotiations are being conducted on the assumption that the acceding States will accept the *acquis communautaire*, and it follows from this principle that a solution to such adjustment problems as may arise both for the acceding States and for the Community should be sought by means of transitional measures and not by means of amendments to Community rules.

As negotiations have now entered their final phase, Members will understand that I do not feel authorized to go into the details of the various positions and pre-judge the solutions to be adopted.

Mr Richard, Member of the Commission. — Mr President, I should like to reply to the oral question introduced by Mrs Salisch on youth unemployment in the Community. In reply to that question, I think it might be useful first of all for the House to have the latest figures. They show some interesting trends. As a whole they show that several Member States have managed over the last 18 months either to stabilize or to lower their youth unemployment rates. If you compare June 1983 with June 1984, the Federal Republic

Richard

of Germany and the United Kingdom seem to have produced stability. In the Netherlands, Belgium and Denmark the number of registered unemployed young people has actually declined. Indeed, the overall increase of youth employment in the Community of 5.5% between June 1983 and June 1984 is almost entirely accounted for by a 15% increase in France and by a 10% increase in Italy.

While the Commission shares the regrets about the insufficiency of the measures taken to reduce youth unemployment. I would suggest that it is perhaps putting it a little high to say that nothing has so far been done by some of the Member States at least to try to combat the problem. I take just two examples referred to by, I think, Mr Ciancaglini. First of all, as far as part-time work is concerned, there are proposals by the Commission on the table. As far as temporary work is concerned, there are proposals by the Commission on the table of the Council. As far as vocational training is concerned, there was a very considerable memorandum by the Commission on the table. Unfortunately, it was not adopted in its entirety by the Council. As far as the reduction and reorganization of working time is concerned as the President of the Council himself has said, there are proposals which unfortunately have not yet been adopted, entirely because the draft recommendation proved unacceptable to the British Government.

The Commission for its part, therefore, has placed on the table a range of proposals which are included in its communication on the promotion of youth employment, and it would expect to make further proposals in 1985 based on further lines of action. It is pleased to note that a number of initiatives have been taken by employers and employee organizations as well as by regional and local authorities and groupings with a view to taking particular account of the problem of youth unemployment in their overall programmes. A good example of this is the launching of worksharing schemes for young persons in several Member States.

As far as the Social Fund is concerned, it has been possible, despite the very difficult financial situation which the Community is facing, to include in the draft 1985 budget some increase in overall appropriations and also in the appropriations available for action for young persons. These appropriations remain, nevertheless, limited with respect to the objectives which we have to achieve and to the scale and the scope of the problem. Of course they do. In this particularly difficult budgetary context the Social Fund has to support those activities which have been selected by the Council of Ministers as priorities. I am referring to actions in areas of high and long-term unemployment and in regions affected by industrial restructuring.

May I also, finally, make it quite clear that in our view it would be unrealistic to regard the task of the Social Fund as being essentially to co-finance *all* those actions which will be necessary within the Member

States to combat youth unemployment. Its task first and foremost is to provide an appropriate response to those problems which are identified as being of the highest priority on the Community level. Parliament has in the past played an important, indeed a crucial rôle in identifying these problems and defining those priorities, and I am confident that it will continue to do so in the future.

I am also quite confident that Parliament will continue in the future to be one of the main allies of the Commission in pressing the Council of Ministers for more money for precisely the sort of programmes which Mrs Salisch was referring to in her opening speech — a speech with which I found myself in very considerable agreement. If the combined action of Parliament and the Commission can persuade the Council firstly to accept the proposals that are at present on the table and then to give the Commission, through the budgetary procedure, some additional resources with which to finance those measures, I am perfectly confident that we could make a start on combating this problem of youth unemployment.

Mr Seligman (ED). — On a point of order, Mr President, I am very fond of music. However, there is some music being sung outside the Chamber which is percolating inside, and I should like you to enforce at least some degree of silence in the antechamber of the House. It is alright for them to make this disturbance outside the building, but right in our precincts I think they should not make a noise.

President. — I repeat what President Pflimlin said about this matter this morning: outside the Chamber the Quaestors are responsible for order. The person in the Chair is responsible only for order inside the Chamber. As long as our proceedings in here are not disturbed, I cannot intervene.

Secondly, the Quaestors have *not* authorized the event in the antichamber, but they have no possibility of forbidding it by the direct use of force or the like. I would ask the House not to pursue this matter, since President Pflimlin already spoke for the Chair this morning.

Mrs De March (COM) — (*FR*) On a point of order, Mr President, since this morning three speakers have already raised points of order to express — very improperly — their surprise that Christmas carols are being sung for the children of families caught up in an industrial struggle . . .

President. — That is not a point of order, Mrs De March. This matter is now closed, and I am switching off your microphone.

Mr Saby (S). — (FR) Under Dr Fitzgerald presidency the third European Council of the year opened in Dublin on 3 December 1984. It was an event which allowed us to take stock of the considerable work undertaken by Ireland, similar to work undertaken previously aimed at revitalizing the Community. Remember the efforts made by the French presidency, after the Athens setback, to get the Community out of the rut into which it had been slowly and irretrievably getting itself. Think of how many essential questions were resolved, questions which for months and even years had been awaiting a solution. Even within sectors as delicate as agricultural policy — so that Agricultural Europe should be ready to receive its two new members Spain and Portugal from 1986 onwards — the dismantling of monetary compensatory amounts and the opening of public sector contracts, agreements have been reached. The Fontainebleau summit showed up the real problems by enabling us to go beyond the realms of a merely technical discussion. This discussion defined the responsibilities of each country. We had to realize that a broad perspective for Europe had no chance of becoming a reality if it remained entangled in petty procedures. The CAP had to be reformed to avoid reopening the debate on Europe's right to produce agricultural material in the face of growing difficulties. Agricultural growth of the Community in a world market in a state of crisis is inevitably reflected in increase in budgetary expenditure due to the lack of mechanisms for regulation and production. Political acceptance of the reform of the CAP in March 1984 was an important stage in the life of the Community and marked the essential return to respect for Community preference and for the unity of the market which was in our opinion a historical achievement handed down by the previous Presidency. However work still remained to be done, one of the major reforms being the implementation — as a necessary and prior condition to enlargement — of integrated Mediterranean programmes designed precisely with enlargement in mind.

We also had to think in terms of reforming the organization of the wine market, which has to be adapted to take into account the entry of Spain, whose wine production is one of the largest in the world and improving the guarantees offered to the producers in our southern regions, as far as we can in view of the marketing outlets for wine of a certain quality.

The European Parliament's top priority is to increase the Community's own resources. Such an increase must, while reinforcing the principle of making financial savings within the Community, permit the Community to meet all obligations and, in particular, to assume the budgetary consequences of enlargement and the financing of new policies for which there is an urgent and generally recognized need. The Fontainebleau Summit made the partner States realise that the ceiling of VAT resources had been exceeded. We are well aware of the fact that attempts have been made to question the major decisions adopted at Fontaine-

bleau. We are in favour of a stricter control of Community expenditure trends, but we refuse to accept an approach which attempts to make the adoption of the budget — and not without consequence particularly in the agricultural sector — subject to principles of budgetary discipline. We refuse to be tempted by certain factions into challenging the results obtained at Fontainebleau. The differing situations of the ten partner states must be reconciled. Although, we can agree to remedy an excessive imbalance for the sake of solidarity, we must stay within reasonable limits and not try to reform the Treaty on the quiet.

The way the Community institutions work is full of imperfections. While none of these imperfections are, so to speak, intolerable, they tend to accumulate and create a lasting and widespread constraint for which we are constantly having to pay the price.

We take pleasure in reiterating the fact that the Irish Presidency made possible the implementation of the Fontainebleau decision, i.e. suggesting ways of improving the mechanics of European cooperation in terms of the Community and of political and other forms of cooperation. The European Council received the interim report of the *ad hoc* committee on the institutional questions created at Fontainebleau, the report's conclusions favouring the convening of an inter-governmental conference which would be responsible for negotiating a draft treaty on European Union. President Mitterand stressed the fact that institutional debate should take precedence over all others. On this point, we Socialists have great expectations of the revised Faure report which will be presented in March 1985 and on which the Council will give its decision in June 1985. We are convinced of the need to make a positive effort to enable the Community to become stronger, more united and more efficient.

The Irish Presidency was concerned to consolidate the reforms undertaken, to cover the financial requirements for 1984 by the adoption of a supplementary budget, and to make progress in the negotiations with Spain and Portugal, as evidenced by the agreement signed on 24 October 1984 with Portugal, an agreement which is both positive and irreversible. Settling the contentious wine issue is something we can be proud of; we should also extend our congratulations to the President of the Council, who made a considerable personal contribution in bringing closer together positions which appeared to be irreconcilable. As a result we can now continue the negotiations and the enlargement procedure.

Let us not forget that Greece's reservations on the Integrated Mediterranean Programmes have been echoed elsewhere and that this is an essential factor if enlargement is to succeed. Indeed, the IMPs incorporate major plans for the southern regions of the Community aimed at restoring a balance of development and preparing them for the consequences of enlargement.

Saby

We Socialists will welcome the conclusion of negotiations on the new agreement between the EEC and its ACP partners for the next five years. We also welcome the accession of Mozambique to the third Lomé Convention and hope that Angola and a free and independent Namibia will also join us soon. The next of the agreement, which forms part of a long-standing tradition, covers political, economic and social elements and aims to coordinate development on a one-to-one basis. The end result of 20 years of common development policy and the results of the first two Lomé agreements are not of course entirely satisfactory. But comparison with the North-South dialogue stalemate situation as well as the uncertainty and hesitation which are paralysing international development allow room for hope that the European Community will continue to play a prominent role in the field of development on the basis of humanitarian considerations and its commitment to joint economic development and *détente*.

Implementation of the technicalities of the agreement will be entrusted right from the beginning to those who have the necessary expertise, and the European Parliament and its representatives on the Joint Committee will follow the progress of the work with interest.

The Socialist Group is also in full agreement with the European Council's initiative concerning the urgent need to instigate concerted international action to counter the dramatic situation in many African countries hit by drought and famine. For many years we have been in favour of an active industrial and energy policy which we see not only as a means of maintaining the future competitiveness of the Community but as its very social ecological and cultural future. The previous two French and Greek Presidencies provided the impetus with the memorandum on a European strategy on research and industry and an outline research programme. At the present moment we should be seeking to fill out this political framework with concrete research programmes, but this just shows how difficult it is for the Council to translate clear political plans into action.

We appreciate the efforts made by the Irish Presidency during recent weeks to put into action a major programme research. Of the eight new measures still awaiting decision, I would like to draw your attention particularly to the programme which has long been pending, concerning non-nuclear energy research and the plan for increased exchanges of research workers.

We also have to approve new projects in the field of biotechnology. We are pleased with the decisions taken with a view to reinforcing trade policy, particularly with regard to the fight against illicit commercial practices, the harmonization of technical standards in different industrial sectors, and the fight against pollution, on all of which we shall be required to give an opinion during this part-session. This goes together

with a desire to reinforce the role of the ECU and of the European Monetary System and most importantly with priority for the fight against unemployment.

The Council of Ministers for Social Affairs will meet on Thursday 13 December 1984. Rather than congratulating them we should wish them success in tackling the questions which interest us Socialists. The most important items on the agenda as far as we are concerned — and on which the Socialist ministers have placed a great deal of emphasis — are the recommendation for positive action in favour of the equality of women, proposals for dealing with long-term unemployment, a new programme to fight poverty and a third young workers' exchange programme.

One of the important and difficult aspects has been covering the financial needs of the Community for 1984 and 1985 and the question of budgetary discipline. This has brought to light a certain degree of tension in the relations between the institutions, revealing yet again the need for the European Parliament to make a positive contribution towards an inter-institutional agreement on the effective control of growing exoenditure. I would like to underline the fact that any budgetary discipline mechanism must not impinge on the budgetary prerogatives of Parliament. Generally speaking though, the Community has made progress under the Irish Presidency.

Mr Ryan (PPE). — Mr President, needless to say, sharing the same nationality as the President-in-Office of the Council, I blush at the tributes that so many Members from so many different groups and other nationalities have expressed to the Irish Presidency. And yet, being a person who is totally objective, I must say that it is my own personal view that the tributes have been well deserved. The President-in-Office of the Council and his colleagues have brought great dedication and persistence to their task. Although they had every reason to be discouraged on many occasions throughout their Presidency, they never allowed themselves to be discouraged but persisted in their efforts to find a solution.

We are also particularly grateful that Minister Barry and his colleagues were so generous with their time and their attention in attending meetings of the plenary sessions of Parliament and that on no less than 23 occasions the Minister participated in the work of the committees of Parliament. My own personal difficulty was finding myself on one day having to rush up and down stairs in the Rue Belliard building in an effort to attend all the meetings being addressed by Irish Ministers. I thank the Minister for that. They are right in claiming that this augurs well — as long as their example is followed by other Presidents-in-Office — for better relations between Council and Parliament. An augury, by the way, which is badly needed at this time of very bitter dispute on the issue of the budget between the Council and Parliament.

Ryan

It was with some disappointment that I heard Mr O'Keefe refer to the attitude of Parliament in relation to the 1985 budget as spurious. It was, therefore, an encouragement to hear the Taoiseach say yesterday that the Council needed to be more sensitive to the wishes of Parliament.

I was glad to hear the Minister say that he always made a point of bringing to the attention of the Ministers the decisions of Parliament. That is quite a change, because only two years ago I heard another Foreign Minister admit that he asked his department to produce the file of decisions of this Parliament on agricultural matters over the previous two years and he was told that his department did not keep a file on the activities of Parliament at all. So, at least, we are now moving in the right direction.

But it is a pity that at the end of an excellent Presidency the Council should have refused to come to Strasbourg this week in accordance with a long-established tradition so as to be available for last-minute discussions with Parliament. It is my information that although the President-in-Office of the Council invited his fellow Ministers to come to Strasbourg, no less than seven governments refused to do so this week for the purpose of final negotiations with Parliament. It seems to me that the Council has adopted an intransigent, as well as an illegal position in relation to the 1985 budget. Therefore, I do not share the view expressed by the President-in-Office of the Council today when he said that by rejecting the budget Parliament would add to the divisive financial problems. It seems to me that by rejecting the budget we may possibly abbreviate the period of dispute because were we to accept the proposed budget we would ensure at least nine months' dispute in the Council while efforts were being made to cut expenditure on necessary projects and Members were expressing their reluctance to provide the money necessary to service the budget. So Parliament's position is, I believe, a most responsible one and one hopefully which might lead to peace rather than war.

Of course, we know that the Council is an odd institution. It is an institution which calls an instrument which promotes intransigence, stubbornness, obstruction and selfishness a compromise, the Luxembourg compromise, which enables any person who objects to progress in the Community being able to sustain that objection against all others. The Minister was right this morning to quote the Irish statesman, Parnell, when he spoke of nobody having the right to put a limit to the march of a nation. He added that no man (and today we should say woman as well) has the right to say to any generation: 'Thus far shalt thou go and no further'. But we know that there are many such voices in the Council at the present time which want to set limits to the progress of Europe and it will call for a tremendous amount of courage and political will on the part of this Parliament and all institutions of

Europe to ensure that progress is not hindered any longer.

We are sorry that throughout the Irish Presidency the budgetary issue should have been so predominant because the budgetary issue is at the root of many European problems. We cannot possibly tackle the problem of unemployment in Europe or of the areas which could generate jobs in Europe if we try to do it on the basis of 0.3% of the gross domestic product of Europe. I say 0.3% because I will allow the argument that the balance is spent on agricultural policies although agricultural policies, it must be remembered, do generate a considerable amount of employment and if Europe did not have a workable, successful agricultural policy then the unemployment in the industrial and services sector would be even greater than it is at the present time.

I do not go along with those who look to the Social Fund as the principal means of relieving unemployment. You will never be able to maintain employment by social policies alone. It is much more important to generate sufficient confidence so that you get an economic growth which will sustain employment. An economic growth of 2 1/2% throughout Europe will not provide the jobs that are necessary to give employment to all people, no matter from what generation they come. The internal market, which is so restricted at present, is one of the reasons why Europe is unable to provide the jobs which can be provided in the United States of America, in Japan and in the more successful economies. Too little is being done and, I fear, is being done too late to open up the borders of Europe so that we *can* achieve what is the principal objective of our own treaty, a market of 270 million people. Soon with the accession of Spain and Portugal, it will be 320 million.

Europe is the greatest international trader. Europe is superior in technology. Europe is extremely rich in resources. Europe has the capacity to generate jobs. It is our failure to use the institutions of Europe which has led to the unemployment throughout Europe. And that is not going to be eased by the application of the ointment of social policies alone. We must train our youth so that they will have the capacity to meet the practical and technological requirements of the market. It is appalling that at a time of massive unemployment we have a situation in which some jobs cannot be filled because our youth and others are not equipped to fill those jobs.

Mr President, one could speak very much longer but I see that my time is up. May I thank the President-in-Office for his hard work during the last six months. He has certainly earned a restful Christmas which I hope he and his colleagues will enjoy.

(Applause)

Mr Møller (ED). — *(DA)* Mr President, I would like to thank the President-in-Office for the kindness he

Møller

has shown Parliament. The Irish Presidency assumed office at a time when optimism was beginning to grow here in Parliament. Fontainebleau was an encouragement for Parliament's work, and we believed that we now had these perpetual budget problems behind us. However, we have to say that no further progress has been achieved under this Presidency. There has been no area in which we could say that anything of any interest has happened in terms of the inaugural speech given to Parliament by the Irish Presidency last July.

In fact, I feel that we currently find ourselves both literally and figuratively in a thick blanket of fog here in Strasbourg. Dense fog surrounds us in our work. We grope and stagger around, not knowing which way to go, not knowing how to resolve the problems confronting us. Hundreds of Parliament decisions on the basis of Commission proposals have accumulated on the Council's table during this Presidency. Everything has been postponed or shelved. And questions we thought could be resolved have remained unresolved. We may have advanced a few steps at the Dublin summit on the enlargement negotiations etc., but these were only small, faltering steps. There is so little time left that if the ratification process takes its course in the Parliaments of the Ten, we cannot expect enlargement to become reality from 1 January 1986, because questions have been postponed, and time and time again national interests have been allowed to eclipse international and European considerations. I know that my country has indeed been the most insistent in invoking vital national interests, and I am the first to regret that these interests have overshadowed many results achieved in the course of this Presidency. I therefore ask the President-in-Office to accept my sincere apologies for the Danish Government's actions in having let vital national interests totally overshadow the common European cause in so many areas.

I would like to add here that we are to take a final decision on the budget for 1985 tomorrow. It is however exceptional that the Council of Ministers has not sought consultation with our Committee on Budgets, which has been the custom, time after time and year after year, and which has indeed been able to resolve a number of problems. This path has simply been ignored. While this may not be ill will or even simple inability, it is certainly because national conflicts here too overshadow common budget interests. Faced with the demands by the national parliaments to have the first word on revenue questions, no one dares to anticipate them even with a declaration of intent sufficiently clear to allow us to adopt the budget.

I therefore ask the President-in-Office now at this late hour to take the initiative to secure consultations between the Committee on Budgets and the Budget ministers. It is now high time, and we have 24 hours left. Do not waste them, Mr Barry! Do your part: prevail upon the Budget ministers to come to Strasbourg for consultations with the Committee on Budgets, as is the custom and practice. And then let us hope for a

compromise. Should this succeed, you will have my thanks, Mr Barry; should it fail, it will be goodbye and thank you for everything.

Mrs De March (COM). — (FR) Mr President, there are some areas in which it seems to me that the lack of initiative on part of the Ten is particularly harmful. Let me begin by taking the example of the Middle East. Just a couple of days after the meeting of the Palestinian National Council, and at a time when there is still a question-mark hanging over the unity and sovereignty of the Lebanon, the European Council meeting in Dublin managed to produce only a vague declaration on the subject, and failed even to reiterate the Venice Declaration — and not for want of any encouragement on the part of Egypt and Jordan. All the Palestinian politicals who had come out publicly in favour of the Ten making progress on this issue have been rewarded with disastrous inertia on our part. Could the Ten not be persuaded to give its support to the idea of an international conference, seeing as only Israel and the United States are now against the idea? An international conference would, after all, have the agreement of the permanent members of the UN Security Council, and would be based on the UN Charter and the UN's resolutions on the Middle East.

Restoration of peace in that part of the world would thus depend on the principles of Israeli withdrawal from the Arab territories occupied since 1967, acknowledgement of the Palestinian people's right to self-determination, the right of all the States in the region — including Israel and any future Palestinian State — to exist in safety, and respect for Lebanese sovereignty.

Can the President-in-Office of the Council tell me why the Ten did not think it necessary to take any initiative on this issue, and thus ran the risk of doing lasting damage to the credibility of the Community in the Middle East?

Another part of the world which merits our attention is southern Africa. We are now on the verge of signing Lomé III. The Ten should — by virtue of a solemn declaration on the part of the European Council — have reaffirmed their determination to use all the means up their disposal to fight apartheid in South Africa, especially as — and this will come as news to no one — Europe continues to support the Pretoria regime both economically and financially. Our ACP partners are rightly calling on us to apply the economic sanctions imposed by the UN. Do you not feel, Mr Barry, that the time has now come for Europe to go along with the decisions taken by the international community?

Allow me to remind you that the South African bishops have just issued a statement to the effect that the regime's police were acting like an army of occupation in the black ghettos, as if they were patrolling

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enemy territory without any regard for the civilian population or for the law.

On a more humanitarian level, do you not feel that the Community should seek to honour the recommendations of the EEC-ACP Consultative Assembly by doing everything in its power to achieve the Liberation of Nelson Mandela, who symbolizes the struggle of an entire people against apartheid?

I should like to conclude, Mr President, by touching on the disarmament issue. What standpoint do the Ten intend to adopt in Stockholm with a view to concluding as wide-ranging an agreement as possible? At a time when new negotiations are getting underway in Geneva between the United States and the Soviet Union, should the Community not be taking the initiative in the interests of peace and disarmament rather than endeavouring, through a variety of channels, to set in motion in the European institutions a discussion on defence problems?

Mr Maher (L). — Mr President, I do not think that the problems of the budget are the real difficulties facing the Community. I think the dispute over the budget is only a symptom of a much deeper malaise. That is that there is no vision any more for the future of Europe. Indeed, I think the Council might well cast its mind back to the time when the founding fathers started their work for a new Europe. Look at the problems they were confronted with. They were dealing with a Europe that was battered and broken and yet it did not stop them from writing the Treaty of Rome which, from today's point of view, a miracle in its own right. Yet we cannot even take paltry steps towards improving on the Treaty of Rome today.

I would say frankly that if there is any hope for Europe, I do not think it is going to come from the Council. There is no real indication that they are looking ahead. I think that it has got to come from the Parliament and from the Commission acting together and appealing to the peoples of Europe that there is a future in a united Europe. We cannot expect the Council to do it. They are becoming more and more nationalistic. Please, Mr Barry, I do not want to blame you and I do not want to blame the Irish presidency, I think you have tried very hard and the fact that we made so little progress cannot be blamed on you but on the Council as a whole.

I think it is well for us to dwell on this question of a vision for a new Europe. We certainly lack that today. We lack a Monet, we lack an Adenauer or a Schuman or whoever. I hope they are going to arrive soon because if they don't, I think there is a grave danger that we might even go backwards instead of forwards. That is why I am saying that I think the new Commission and the Parliament have got to get together and show the people of Europe that there are policies that can be followed which will in fact solve the problems of unemployment and promote economic progress.

Look at the monetary situation. We cannot take even a paltry step forward. The British are still refusing to join the EMS. As a consequence of the failure on the monetary side the Americans are dominating us, they are in fact dictating to us. Is it not absolutely appalling that at a time when Europe is weak in the economic sense, we are helping to fund the American recovery? We are giving money to America to fund its own economic recovery and they are doing it very well, thank you. Is it not extraordinary when we are complaining about shortage of money and having rows about the budget that, according to the Commission — and nobody has contradicted them yet — the cost of the existing internal market, is greater than the total budget of the European Community? Would the Council agree with those figures or not? They have not disagreed with them. If that is so it is an absolute disgrace that we still have all these barriers.

Might I address the Irish presidency and mention to you, Mr Barry, a small item. Next January by right Irish consumers should be able to benefit from much lower prices for their motor cars. They would be buying their motor cars, if free trade rules were allowed to operate, at about half the price they are presently paying. They are paying the highest prices in the Community, or almost. But that is not going to happen. The Irish Government is going to ensure that they keep on paying the same high prices. Is it any wonder that Irish people are disenchanted with the European Community? If just this one small step were taken, that would do more to convince them about the European Community and about membership than all the speeches Mr Barry or Dr FitzGerald could make about a new Europe.

In agriculture all we hear about is cutbacks. There is no indication of new policies. We have no forestry policy that could help farmers to diversify into other production. We have no policy for protein. We have no policy for sheepmeat. There are still deficiencies in that sector yet there is no indication that farmers can develop into these areas where there are possibilities for further expansion. There is no indication that the CAP has any Third World dimension. And yet we can see that the only way we can help the Ethiopians and others is to have some surpluses in agriculture, with a Third World dimension. We need to produce the products that are suitable for the people in the Third World. Let us look at these areas.

I am not appealing to the Council, frankly. I am appealing to the Parliament and to the Commission. Let us get together. Let us produce new policies. Let us sell them directly to the people of Europe apart from the governments.

Mr Lalor (RDE). — Mr President, I regret having to say that it is with no degree of either pride or satisfaction that I look back at the progress of this European Community over the past six months. I listened to an

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Irish Taoiseach and President of the European Council outlining yesterday our achievements and today to Mr Barry doing what he could to dress them up.

Yes, it would appear that over this six month period solid steps were taken towards ensuring enlargement and embracing Spain and Portugal. The presidency must take full marks for that as it clearly had to overcome very many obstacles and difficulties. It does appear, however, despite the tremendous progress in this regard that a huge question mark still hangs over the Greek reservation. There is still no general agreement on the integrated Mediterranean programmes which clearly will not be resolved until the next European Council in March at the earliest.

Dr FitzGerald reported yesterday, and I quote: 'The agreement on wine enabled the relevant Heads of State or Government to lift the reserves which had hitherto prevented the finalization of Community positions on Spanish agriculture and fisheries'. May I say that I found that a most extraordinary statement in that it was the only reference in his three-quarter hour speech to fisheries. Why? Is there something we cannot be told about the fisheries agreement, or are our fisheries a nonentity in comparison with wine? Regrettably Mr Barry did not elaborate on this particular aspect today.

When addressing our new Parliament on 25 July last, Dr FitzGerald said, and I quote again: 'Our preoccupation is the intolerably high level of unemployment. We must address ourselves to the question of how the Community can play an effective role in tackling this problem'. Yesterday he told us that unemployment in the Community at 11% this year is expected to rise even further to 11.5% next year, or 13 million people, and could rise even higher. He went on to say that he was happy to report that the emphasis he had put on unemployment in his presidency is now at last producing some results with the European Council's acceptance of the priority to be given to unemployment. Six months of preoccupation getting unemployment listed as a priority! Does that spell progress? It does not to me.

Mr Barry said this morning that a number of resolutions have been agreed regarding unemployment. My goodness, that is not progress. From an Irishman's point of view it was certainly nice to hear the President say that in Dublin a new proposal had been agreed to the effect that the Community should take measures designed to reduce the differences existing between the various regions and the backwardness of the less-favoured ones. This sounded good — until he reminded us of a similar arrangement that he had made eight years ago which does not seem to have had any effect because the gap continues to widen!

I now turn to the financial problems of the Community, which are uppermost in all our conversations this week. Minister O'Keefe exhorted us yesterday to

approve this budget this week. Later Dr FitzGerald said: 'I have been most anxious to ensure good relations between Parliament and Council and where possible to encourage further beneficial development in these relations'. He went on: 'I would hope that in determining your approach to the outstanding budgetary questions the Parliament will take account of the efforts that we have made to demonstrate respect for Parliament and to enhance its role in the conduct of Community business.' I fully accept and so does all of Parliament, and this has been reiterated over and over again by many speakers here, that the Irish Presidency has done its best and has been most assiduous. None the less, Dr FitzGerald confessed yesterday:

'I regret that due to the inability of the Council to reach an agreed position it has not been possible to reach conclusions on improving the conciliation procedure'.

Imagine, no conciliation this week! Even my colleague Mr Ryan referred to this. Parliament's objections are being described as spurious! This I also regret, and it forced me to reflect again on a further extract from the Taoiseach's speech of July when he said:

'Let me at this stage say that the primary responsibility for most of these failures falls on Member State governments in the manner in which we have conducted ourselves in the Council of Ministers'.

This conduct still continues after the warning which the President himself gave six months ago. On this aspect of inadequate Council provision for annual European requirements, let me draw on my final extract from that very promising July speech. Referring to the Fontainebleau success, he said:

'The Parliament too played its part. Its insistence over the years on the need for a definite resolution of the budgetary issue sent us back to the table on a number of occasions when we might perhaps otherwise have taken an easier but considerably less satisfactory option'.

Here, inside six months, we have modern history repeating itself with an imbalanced budget and a refusal to come back to the table.

The Council is loud in its praise for itself for having decided that 1.2 million tonnes of cereals be provided for Ethiopia and the Sahel famine areas between now and the next harvest. However, they made no financial provision for this, and we have the Commission drawing on this year's fifth European Development Fund and Article 950 of the 1984 budget and Chapter 80. This is robbing Peter to pay Paul, with 37 million ECU needing still to be deducted from money already committed to needy areas.

It is with sincere regret that as an Irishman I cannot speak in more complimentary terms about the per-

Lalor

formance and achievements of the Presidency over the last six months, particularly as I have tremendous regard for Mr Barry himself. In fact, over the last few days word is filtering through of the subjection of the Council of Agriculture Ministers to the Economic Ministers and of the withdrawal from the Council of Agriculture Ministers of the power to make proper and adequate provision to cover their requirements. This comes on top of the other capitulation and of the constraint recently applied that agricultural spending will grow at a slower rate than the growth in our own resources. It is very sad that this should have occurred during the term and under the guidance of the Irish Presidency.

Mr Vandemeulebroucke (ARC). — (NL) Mr President, ladies and gentlemen, may I make a few brief remarks on relations between the European Community and Latin America. The meeting of the Ministers of Foreign Affairs in Costa Rica has given us reason for hope; the Council was no doubt influenced by the Final Act of the VIth European Community/Latin America Interparliamentary Conference which stressed, among other things, the need to work towards peace and stability, the establishment of true pluralistic democracies and the provision of increased economic and financial aid.

This demonstration of support by the European Council for the Contadora initiative is very commendable. The main problem now is to give effect to the position adopted in Costa Rica and I would like to put a few questions on this point.

The Council is aware that the Contadora text has so far been signed only by Nicaragua. In his general report, the President-in-Office said that he hoped the countries would 'shortly reach full agreement on a final text.' Does this mean the Council takes the view that the original Contadora text should be amended again and that there should be further negotiations, which is what the United States wanted? Is this not a complete about turn regarding what was originally agreed in Costa Rica?

Secondly, the financial commitments made in San José must not be empty promises. I was pleased to hear the President-in-Office say that financial aid to Central America will be raised to at least 60 million ECU.

Finally, I would draw attention to the situation in Nicaragua where, after the elections on 4 November, one more step was taken towards democracy and a dialogue was established with the Contadora Group. I would draw the attention of the President-in-Office to the parliamentary delegation's very balanced report and request that priority be given to Nicaragua as regards financial aid since the United States is giving aid to other Central American countries.

IN THE CHAIR: MR LALOR

Vice-President

Mr Ulburghs (NI). — (NL) Mr President, there is a severe shortage of subsidized housing throughout Europe and in my own country, Belgium, particularly in the working class areas of my constituency in the Limburg mining region. Thousands of homeless families have been on the waiting list for subsidized housing for years. Young people with no hope of getting their own home, often with no job and no sense of purpose, turn to drugs to escape their misery.

Yet there are thousands of unemployed people who would be only too happy to build these houses which are so much needed. How can the steady rise in defence costs in Europe and in my own country be justified when appropriations for subsidized housing construction are being steadily reduced? The ten thousand million allocated for it in my country in 1980 was reduced to two thousand million in 1984.

Our proposals are: first to step up house building schemes in the Member States, giving priority to the young unemployed; secondly, to set up a special study to establish where needs are the most urgent; and thirdly to grant special funds and set up training schemes for the young unemployed.

I would like to make two points about the San José Conference in Costa Rica and the cooperation agreement between the EEC and Central America. First, as far as Nicaragua is concerned the European Communities must stand by the three main points agreed, in particular non-alignment, which means withdrawal of all foreign military intervention and support; secondly, a policy of social pluralism and thirdly, a mixed economy.

In this way, the European Communities can play an important role in the self-development of this region. Secondly, I would like to remind you of a war which has been long forgotten in Guatemala which some of those here today have seen with their own eyes. We urge the European Community to adopt an active policy of support and to ensure that human rights are respected and social justice assured in that country.

Mr Cohen (S). — (NL) Mr President, one of the most important achievements of the Irish presidency is, without doubt, the conclusion of Lomé III. In the end, we managed to scrape together 8.5 thousand million ECU, 7.4 thousand million for the European Development Fund and 1.1 thousand million for the European Investment Bank. But what an uphill struggle it was! At first, it looked as though there were only going to be 7 thousand million for the Fund. It was only by a series of plays and by the somewhat careless or sloppy treatment of the new Member States — the

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candidates for membership — by including them as contributors to the Fund, that we managed to bring it up to 8.5 thousand million. It also meant that the burden of a number of Member States which wanted to contribute rather less to the Fund, such as the Netherlands, Belgium and Denmark, could be lightened. This kind of horse-trading is really quite distasteful and unworthy of the Community although I admit that in the end it amounts to little more than a blemish.

Another blemish, also linked with Lomé, is the fact that the Member of the Commission responsible for Lomé negotiations, Mr Pisani, was unable to be present at the actual signing of the Convention. I am well aware that the Commission is a collective body and that Mr Thorn was well able to replace Mr Pisani. All the same rereading what was said in Dublin with reference to the interim report of the Dooge Committee concerning all the new suggestions, and they are very good suggestions, which have been put forward for the future Commission — it does seem somewhat strange that a Member of the Commission can simply be called away and not even be present at what amounts to the culmination of his work, in Lomé.

Be that as it may, Lomé has been signed and our problem now is to get the national parliaments to ratify the convention as quickly as possible. The European Parliament does not have the right of ratification, but we will devote our attention to it anyway. In March this year, we will have a full debate on the content of Lomé-III, so I do not want to go into it now.

I will say just one more word about Lomé, leaving aside for the moment the Pacific and Caribbean regions. For 26 years, since it was first set up, the Community has been involved in Africa. Part IV of the Treaties provided for an Implementing Convention, and then there was Yaounde-I, Yaounde-II, Lomé-I, Lomé-II and now Lomé-III. 26 years! Yet Africa is still the poorest and least developed continent in the entire world. Despite 26 years of European efforts. We might well wonder just what Europe has really achieved there. There are those in the Community who have suggested — and it would indeed be much more lucrative — that we should not concentrate all our efforts on Africa but devote more attention to Latin America and Asia. There is nothing wrong with this in itself, we are certainly doing too little for other developing countries, we are doing too little for the 'non-associated countries', but we cannot shirk our self-imposed responsibility for Africa.

I was therefore pleased at the decision taken at the European summit in Dublin to make 1.2 million tons of extra grain available for famine and poverty relief in that continent. However, I do have some reservations, because we are well aware that food aid will not in itself solve the real problems. It amounts to recognition of their poverty. We know that our development policy has not achieved as much as it ought to, we take inadequate measures and are then forced in times of

crisis to assist with measures which are really contrary to what we are trying to do. This continues to be a problem and is therefore the real task facing the Community.

I have nothing but praise for the Irish presidency. I am not the only one to have said so in this debate. Many previous speakers have already said how pleased they are with what has been achieved. However, I must say that apart from Lomé-III — which really is the crowning achievement — very little attention has been given to other issues of development cooperation. True, this was perhaps not possible in 6 months, but the Community must consider other issues as well as its responsibility towards Africa.

Mr Habsburg (PPE). — (DE) Mr President, unfortunately the questions which I asked the President-in-Office on the subject of the Central American Summit in Costa Rica have not been answered satisfactorily.

What is the issue here? Firstly we would like to know what the criteria are for the Community's Central American programmes. If democratic development is a criterion, why is aid to El Salvador blocked when Nicaragua which is well on its way in the very opposite direction especially since its bogus elections, is still receiving support? I would like to know if the Community has a definite strategy for this region or if it is muddling through in this sensitive area of world politics too.

Secondly: the Ministers for Foreign Affairs and particularly Mr Pisani raised a lot of hopes at the Mediterranean Conference. How do you propose to fulfil these hopes, which are based on promises of financial aid, when the Finance Ministers are introducing cut-backs in the EEC's development aid programme?

Thirdly: effective economic and social changes, which are an important condition for restoring peace to the region, will only be achieved by means of a sensible harmonization of Community Central American policy with the USA and other industrial countries. I wonder then what the Foreign Ministers mean by making great demands in this region without having come to an agreement with our main allies on the ins and outs of the situation? All the more so when you think that Community aid for Central America is peanuts compared with the contributions of the USA.

Fourthly — to summarize — the EPP Group welcomes the Central American initiative of the Foreign Ministers and hopes for an intensification of the contacts. However we expect that statements made in Costa Rica will be followed up by European action. Show-business razzmatazz will not help our Central American partners one little bit!

Mr Tuckman (ED). — Mr President, my task is to talk about youth unemployment, but I must say this is

Tuckman

the strangest *pot-pourri* of a debate that I have taken part in for a very long time.

I still think that in Europe we invest far too little on making sure that young people embark on the right kind of career. The type of vocational guidance which is available is still very amateur, it is not designed to find out what people's aptitudes are or where their inclinations lie, and far too often people are put into jobs which are not right for them.

All the evidence is that people who are unskilled and untrained are the ones who do not have a job, who are the unemployed, and I think it is in that direction that something practical can be done. I feel that in this House far too often we talk about macro-economic issues which we cannot really affect and unemployment is an issue where we are quite powerless. Indeed, I challenge anybody in the House to say whether before us is a time of heavy unemployment or the day when we shall be able to absorb again all our employable people. I do not think it is yet understood to what extent the technological revolution puts us in a situation which we do not even understand.

With that, Mr President, I leave this topic and turn to one which I had not expected to turn to, namely Nicaragua, which apparently is also part of the *pot-pourri*. I was in fact there as a member of one of this Parliament's official delegations. There are two points which I feel should be mentioned and be in the record and they have not been mentioned.

Firstly, the democratic politicians in Nicaragua require the courage of using the 32% of the vote which they have gained, but far too many of those that I met said they are powerless and will just have to hope that everything is alright. If you go into democratic politics, then you need the courage to use the opportunities you are given and 32% is not typical of a dictatorial situation where there is no chance.

The other point I wanted to make about Nicaragua is, there is all this talk about the Contras attacking Nicaragua, but there is not enough talk about the Nicaraguans having their guerillas out in San Salvador. So, really, it is half-a-dozen of one and six of the other.

Mr Segre (COM). — (IT) Mr President, many things have happened in the last six months both within the Community and outside. I will only refer to the latter and in particular to two things: East-West relations and the Middle East.

Moves are clearly underway, and they seem to be pointing in the right direction: Washington and Moscow are going back to the negotiating table; in the Middle East the first step towards new and, finally, more realistic negotiations seems to have been taken. It is in Europe's interest to encourage in every way possible this return to political reason.

But if we glance over the six months leading up to the last meeting in Dublin the most striking thing is Europe's silence and inactivity, its almost opting out in the face of the vital need to work out and assert common positions. What happened in Dublin came very close to the absurd, as though it was taking place in Kafka's castle rather than that of Joyce. What is more, Mr President, you had before you in black and white an urgent letter from President Mubarak of Egypt begging Europe to make its voice heard. A few months ago King Hussein was here delivering the same message. And this was just after the PLO Conference in Amman and *Le Monde's* rather interesting interview with the Israeli Prime Minister Shimon Peres, containing some new and certainly more flexible views on Arafat's proposals.

There would have been ample material for an exchange of ideas and an up-to-date analysis, providing guidelines going beyond the Venice declaration and, above all, possible approaches.

Instead none of this took place. I am not laying the blame for this on you, Mr President, but rather on some of your colleagues — and I do not need to name names: you know them as well as we do — they seem to have spent most of their time trying to delete the last and only really significant sentence, the one which gave hope of a possible initiative by Europe from the communiqué which had been drawn up in an atmosphere of political cooperation. Finally, this sentence was deleted, and the document thus emasculated and rendered even more counter-productive by the fact that the original version had already been widely distributed and the difference between the two documents once more highlighted Europe's inactivity. And what is probably worse, it also gave rise to a sort of revival of the small and petty national and nationalistic rivalries.

I do not know, Mr President, if there is any truth in the rumour that all this happened in order to condemn the forthcoming Italian Presidency to inactivity, so as to enable some countries to take their own steps on various matters, as has happened in the last few months. The fact is, however, that after the meeting in Dublin the Italian Prime Minister went to Tunis, where he met Arafat and gained the impression that there was now a great opportunity for peace and it would be absolutely absurd not to take advantage of it.

As you see the inconsistencies are numerous. The great, and glaring inconsistency is between Europe's potential and its interest in putting forward a common position on peace and security, on the one hand, and its persistent silence on the other.

We will continue to apply pressure to have this inconsistency resolved satisfactorily: we want it and insist upon it, and we will not tire in our efforts to draw the attention of the future Italian Presidency to this task.

Segre

At a time when so much seems to be happening in the world, the task of this Parliament, Mr President, now more than ever, in this time of uncoordinated political positions, is to succeed in being the conscience and motor of Europe.

Mr Ducarme (L). — (FR) Mr President, there are just two points I should like to make.

Firstly, I am aware of the President-in-Office of the Council's word of warning to Parliament on the budget. I would just like to tell him that I would like to see the budget rejected to plunge Europe into the kind of crisis it needs if we are to break out of the pseudo-diplomatic machinations the Council has imposed on us. That seems to me a very important point.

I should like to ask whether it is true that the Italian Minister called for the convening — as long ago as January — of the kind of conference advocated in the Dooge report. Press reports would seem to indicate as much, and I should like to know if the point was in fact raised in the Council.

Secondly, you will forgive me for not offering any bouquets to the Irish Presidency. Last October, Parliament passed a resolution requesting an urgent meeting of the Council of Justice Ministers to discuss the European legal space in the wake of a substantial number of terrorist outrages in Europe. Last night, seven such outrages were committed on Belgian territory. We got the impression, following the resolution passed in this House, that the Council intended to take the initiative and convene a meeting of the Justice Ministers.

Why, Mr Barry, has no such meeting taken place? Could it be that here — as in budgetary or any other matters — the Council has decided to take no account whatsoever of Parliament's opinion?

Mrs Ewing (RDE). — Mr President, first may I plunge right into the question of fishing, which will surprise no one. The silence on this question of what is meant to be a common policy is causing alarm, suspicion, fears that villages and communities will be turned into ghost villages and that this Community, claiming to wear a human face, will in fact be putting on the death mask. We must have answers to the questions I have been asking for nine years in this Parliament and which still remain unanswered. They are: What are the access terms to be offered to Spain before and after the transitional period? What is the transitional period to be? What will be the position on the expiry of the CFP in 2002? What are the targets for reducing the enormous Spanish fleet, which is 2 ½ times the size of the UK fleet and larger than the EEC fleet put together? Shall we be allowing Spanish vessels into areas where they have not fished? There is certainly no

room for them in the North Sea and I am sure the Irish would agree that there is not much room for them in Irish waters either. Why do we not simply adopt a solution that was first proposed by Mr Cheysson when he was Development Commissioner and which I have urged time and time again, that we encourage the Spaniards by financial incentives to sail south to help the ACP keep out the raping fleets of Russia, Korea, Japan and Poland? There is a solution, and we never hear the Council embracing it or even giving support to it.

Secondly, what is the use of our having a regional policy which is meant to be another aspect of the human face this Community wears, which is meant to equalize the rich and the poor, if all the carefully agreed criteria, hammered out over years by all of us are simply thrown away at the whim of a Member State government, which is what has happened in the UK, my Member State, in the last few months of this Presidency? Areas which qualify by all European criteria concerning distance, peripherality, sparsity of population, have simply been rendered ineligible. This is an extraordinary situation, where Humberside will be able to compete on equal terms with Caithness. This has happened in the last few months, so what is the point of considering all our careful criteria if a Member State can simply throw them all away?

Forestry has already been mentioned. We could create a tremendous amount of new employment. In Scotland alone, they could go to 13 000 extra jobs, yet we have only got 9% forest. Timber is the second largest import of the EEC and a matter of concern to all of us; surely we should be developing this vital resource.

Lastly, as chairman of the Committee on Youth, Culture, Education, Information and Sport, may I say how gratified I was that when my committee appeared in Dublin, three Ministers of Ireland appeared before us with a great deal of enthusiasm. On the other hand, I would ask the Council — they are not listening to me at the minute, which is perhaps a pity, Mr President — I would appeal to the President-in-Office to pass on the enthusiasm of his Ministers to the Italian Presidency, because we have 5 million young people who are written off and relegated to the indignity of the social scrap-heap. Frankly, I took ahead also, as chairman of the committee concerned with information policy, to wonder how many of them are going to stay away unless we do something to treat youth as a priority subject.

Mr Roelants du Vivier (ARC). — (FR) Mr President, for a number of years now, I have read the statements issued by outgoing Presidents of the Council, but this is the first time — being a new Member of this House — that I have had the chance to listen to such a statement in person. I had hoped for a modicum of improvisation and oratory skill, or at least a bit of emphasis on the points dear to the President's heart.

Roelants du Vivier

I have to say, Mr Barry, that I feel let down, because you have in fact spelt out the remarkable progress made by the Irish Presidency in the kind of impassioned tone one normally attributes to a Tass correspondent — a sort of world-weary tone dulled by the repetitive nature of this traditional and propitiatory exercise.

Let us, Mr President, take a look at the facts.

Do we really need to stress the fact that this last six months — and I do not think that this is due solely to the Irish Presidency, it is the result of the discussions within the Council — have been six months of budgetary intolerance. We shall have another demonstration of that this evening. It has also been six months of a deepening agricultural crisis, Mr President, the visible part of the iceberg being the milk quotas and the surpluses we are all acquainted with. The past six months have also seen the militarization of Europe. It seems to me that what you said about the Western European Union and the European Community having nothing in common was hypocritical in the extreme. The past six months have also been characterized by insufficient solidarity between Europe and the Third World and between the Community and its jobless, including the four million young unemployed persons. We have also witnessed the indiscriminate development of certain technologies and I am thinking here particularly of nuclear technology.

There is nothing new at all in this stock-taking exercise. Only the form changes a little — sometimes there is more verbosity, sometimes there is less.

You talk of self-sufficiency in food, you talk of integrated rural development, you conform to convention. But what is really happening on the ground?

You claim that Lomé III is a remarkable achievement in a period of crisis. Is it not also a remarkable feat, Mr Barry, to keep unemployment in the Community at such a high level and be entirely fatalistic about it? That is the impression you have given us at least. Is it not also a remarkable feat to have cut back the European Social Fund resources in the preliminary draft budget. You have cut back the draft budget and you have cut back the Social Fund resources. It is as if the logical response to a crisis were paralysis: here we are in a crisis, so we must reduce our financial efforts. The fact is that the crisis is not a passing phenomenon. When will you realize that the time has come to change all our fundamental mechanisms?

That is what we have come here to say.

Mr Lomas (S). — Mr President, I want to concentrate on the oral question tabled by the Socialist Group, which asks the Council if it is willing to endorse the conclusions of the last European Parliament-Latin America Conference and if it would indicate the

extent to which it proposes to take account of the views of this Parliament, particularly, as set out in the reports of Mrs Wiczorek-Zeul and Mr Michel. It is also about the aid programme and the peace plan of the Contadora Group.

We have tabled this question because we have had so many fine words and documents but so little action in this particular area. For instance, the communication from the Commission to the Council in April of this year showed that there has been a massive drop in Latin American exports to Europe over recent years and that Latin America has had a very poor share of our aid programme. The document stated quite bluntly that there is no possibility of the Community taking in any more agricultural imports from Latin America. What an absolute nonsense! Of course the Community could take in more imports of agricultural products if it did not have its absurd, highly protectionist, highly subsidized common agricultural policy.

There has been very little action from either Commission or Council since the last European Parliament-Latin American Conference. Yet the problems are there — enormous debts, balance-of-payment problems, high inflation rates. There is a desperate need for more cooperation. Much of it would have to be bilateral, partly because the Latin American countries do not work in the same way that we do — it is a much looser cooperation — and also because of the appalling lack of human rights in some of those countries.

I want to make two specific points in addition. The first is about the San José Declaration. I think this made a lot of sense and certainly was an important step forward towards improving the framework for better relations. It called for better regional cooperation, increased financial assistance and support for the peace measures of the Contadora Group. It also — and this is very important — expressed the very firm conviction that problems in Central America cannot be solved by armed force but only by political solutions from within the region itself. In other words — United States, keep out!

This leads me to my second point, which is about Nicaragua. Our own European Parliament delegation showed in its report that the elections held there recently were clearly free and democratic. All the parties campaigned freely. All the parties had government funds to help them to do that. Contrary to the view held by some in this Chamber, the report stated very clearly that Nicaragua is obviously not a totalitarian State. There was an 82% poll — higher than we have in Britain, I can tell you. 68% voted for the Sandanistas showing massive support for them from the people, and yet over 30% were quite free to vote against the Sandanistas without any repercussions. I regret very much that the main opposition party, under American pressure and knowing they would suffer a heavy defeat, decided not to take part in that contest. I regret too — and I end on this note — the American inter-

Lomas

vention in that area and the support for terrorism there, and I back the governments of this Community who so far have stood up against the Americans and their policies in that region.

Mr Penders (PPE). — (NL) Mr President, I want to speak about European security, a subject which has been particularly controversial in recent years in Europe. There were already signs of activity at the time of the achievement of strategic nuclear parity between America and Russia, but the debate only really came to the forefront with the discussions on the neutron bomb and the problem of the siting of Pershing-2 and cruise missiles.

I think it is a very positive sign that the Europeans have broken the taboo on discussing their own security. It is partly under the influence of French-German cooperation, which now extends to security that the debate is moving towards the reactivation of the Western European Union. This is of no small importance if we consider the automatic nature of the undertakings contained in the WEU Treaty.

I would also have been happier had this debate taken place in the context not of the WEU but of European political cooperation which would have been along the same lines as the solemn Declaration made in Stuttgart. It would have given the European Parliament a better chance of playing some part in the debate on European security, and of guiding and influencing it.

One important point so far has been whether the reactivation of the Western European Union should be seen as a threat to transatlantic cooperation. This is clearly not the case. It does not imply we are 'ganging up' against Washington. The WEU declaration made in Rome states quite categorically that it is 'Europe's contribution to the strengthening of the Atlantic Alliance bearing in mind the importance of transatlantic relations', and as such is crystal clear.

I would like to make another structural point. Much has been said about a 'two-speed' Europe. Is there not a possibility that this acceleration will have its effect on European political cooperation? Are we going to introduce majority voting on EPC? Will there be two levels in the EPC? These are difficult questions. Might a reactivation of the WEU with its 7 EEC Member States not perhaps create a certain fragmentation of EPC, since important political problems are also discussed in the WEU. Are people aware of these dangers to EPC?

What is the position of this House in general? We have 10, soon to be 12, Member States and we cannot start separating them into different chambers, or different grades. I think this is a very difficult question and I think it is therefore absolutely vital that links are made between the European Parliament and the WEU Assembly as soon as possible. This could be done in a

number of ways, and I would suggest that this House's Political Affairs Committee could make contact with its counterpart in the WEU Assembly.

I am sorry that Mr Barry gave such a formal response on this issue this morning. What is most important, however, is that we are no longer wasting time on procedural problems but are actually getting down to the content of the matter.

Sir James Scott-Hopkins (ED). — Mr President, this is certainly one of the strangest debates that I have had the pleasure of sitting in on. We seem to have covered a huge range of subjects and I wish the Irish President-in-Office the best of luck in replying to the debate. It really is the strangest one.

I am very glad to follow Mr Penders because I wanted to say a few words very quickly concerning the Western European Union. Unhappily I do not agree with his analysis or his conclusions concerning it. For many years I was a member of WEU and I was their general rapporteur just before I became a Member of this Parliament here. I thought then, and I still do think now, that WEU is really a thing of the 1960s and perhaps the early 1970s, but it certainly is not the organization for the 1980s.

I was down there in Paris at a meeting of the WEU only last week and I was horrified to hear three ministers from France and Italy and Germany getting up one after the other and talking about the reactivating of WEU and how they were going to have Council of Ministers meetings and so on. I regret this because it is fragmenting the efforts on defence and security in Europe which is of primary importance. I could not help wondering whether in point of fact they were not rather worried about the European Parliament and if it wasn't a device to divide and rule in these particular matters which they were pursuing.

I sincerely hope that this Parliament here will take up its obligations concerning security, with particular reference to defence procurement, and will indeed move forward and that ministers — although I appreciate that the Irish Minister will be reluctant to comment on this as he is certainly not a member of WEU — will accept that this is the real forum for those debates in the years ahead. We have too many other organizations. We are all working under the umbrella of NATO, and inside NATO there is a complete organization for Europe. Let us here in the European Parliament play our part in dealing with the procurement side and getting a common policy on that and also discussing the security question. There is nowhere better than here to do it.

(Applause from the centre and the right)

Mr Glezos (S). — (GR) Mr President, in order to cope with the enormous problem of unemployment I

Glezos

suggest a reduction in working hours. To be specific: five hours work a day and 25 hours a week for each worker. I base this proposal on the fact that the breathtaking rate of technological development is reducing the time needed to manufacture products. A lot less working time is needed today than in the past. However, instead of a reduction in the working hours we have a reduction in the number of workers. This is leading to the creation of armies of unemployed, especially amongst young people. The employers' argument that they cannot reduce working hours and increase the number of workers does not hold, because production costs are simultaneously being reduced as a result of the technological revolution. Thus, these radical measures will have to be adopted. We have had enough fine words and entreaties, and over and above the unemployment fund and plans for the creation of new workplaces we need a reduction in working hours.

Mr Ephremidis (COM). — (GR) Mr President, in his statement Mr Barry referred to the attempts of the Ten, in the context of political cooperation, to promote issues relating to peace, disarmament, the arms balance and the adoption of measures to promote mutual confidence. I would like to put certain questions to him and hope he will have the time to reply.

Firstly, can we speak of endeavours to further peace while the Ten hesitate or even refuse to discuss and support, in the context of political cooperation, the current proposals to renounce a first nuclear strike, something which would open the way to a reduction in tension? Secondly, why did they not discuss and decide to promote the creation of non-nuclear zones in Europe, in regions such as the Balkans, Northern or Central Europe, something which likewise would open the way to a reduction in tension?

Thirdly, why do they not discuss and why do they react so allergically to the mass peace movements which are mushrooming in their countries and which are being hounded by the governments? What are they doing for these peace movements in the context of political cooperation, and why do they not draw on these movements in drafting the policy of peace which they claim they wish to pursue? Furthermore, Mr President-in-Office why do you support the Western European Union and, in consequence, the military integration of Western Europe? Are you going to create, alongside the two alliances, yet a third alliance? Are further alliances what we need for peace, or is it not rather the mutual disbanding of the two alliances, a move which has been proposed by the Warsaw Pact? Why do you not support this idea?

Mr Barry said the aim of the Council is to ensure that the independence and territorial integrity of Lebanon are recognized in the context of the Helsinki Act. I would like to ask: why has no initiative been adopted in the context of political cooperation in respect of

Cyprus, which is an independent State, a member of the UN which signed the Helsinki Act and 40% of whose territory is today under Turkish occupation?

Mr Hume (S). — On a point of order, Mr President. This is a very strange point of order that I am raising, Mr President. The purpose of it is to go on talking long enough to allow two of my colleagues to approach you in the Chair. This being the last occasion before Christmas that you will sit in the Chair, two of my colleagues . . .

(At this moment Mr Collins and Mr Pearce approached the rostrum, from the left and the right respectively, to present a piece of Christmas cake each to the President)

President. — I am sorry, I have to rule you out. We are talking now about Ethiopia!

I am sorry for that interruption, but I appreciate the friendliness of my two colleagues from the UK. It is a sort of hands-across-the-Irish-Sea. Hopefully, it will be taken in that light. I certainly appreciate it in that light with both my European Democrat and Socialist friends from the UK coming over to express such sentiments at Christmas. I do hope it is an indication of expanded friendships in the coming year. Thank you very much.

Mr De Gucht (L). — (NL) Mr President, the Liberal and Democratic Group has always been a supporter of the European security policy and therefore welcomes any initiative to promote this policy. We consider that the European Parliament, the only directly democratic Community institution, has a special part to play in this field, and this is borne out by the fact that every important stage in the development of this policy has been associated with the names of Liberals. At the proposal of the British Liberal Lord Gladwyn in 1975 Parliament adopted a resolution recognizing the link between a Community foreign policy and the Community's security policy. In the previous Parliament the report by the Danish Liberal Haagerup gave a clear and far-sighted description of the European security policy and the specific role of the European Parliament in that policy.

The reactivation of the Western European Union must clearly be seen as an attempt to bring the European security policy one stage further, and we therefore welcome this initiative. However, Mr President, this raises a number of questions. Denmark, Greece and Ireland are not members of the WEU. This is therefore certain to lead to institutional complications. The development of a European security policy is no easy matter, and we are therefore inclined to suggest that all approaches should be tested. What possibilities are opened up within the WEU which are not available in the EEC? This is not altogether clear.

De Gucht

Since the London declaration of 1981 and the Stuttgart declaration of 1984 there has existed a Community agreement to the effect that the non-military aspects of security policy as well as the development of a policy concerning the acquisition of weapons fall within the Community's sphere of competence. This will require time, political determination and the right decision-making bodies. Are these more readily available within the WEU than in the Community? This question remains unanswered, and we would like an answer before entering into any firm commitments.

Mr Christiansen (S). — *(DA)* Mr President-in-Office, I wonder what you would have answered if Parliament's 434 seats had been occupied today by young unemployed from all the ten countries asking 'What has the Council of Ministers done for us in the last six months?' You would have had no reply, for under this Presidency the Council has not taken any decisions at all on youth unemployment. This fact is an insult to the five million hard-hit young unemployed, whose future, amongst other things, is in the hands of totally irresponsible politicians.

I have taken the liberty of using such strong words for the following three reasons: if the Irish Presidency has not managed to produce a single initiative to tackle youth unemployment, it is not for want of calls to do so. We in the Socialist Group have time and again taken the initiative for discussions on the situation of the young unemployed and proposed models for solutions. Put in a nutshell, there is a lack of political will to do something about the problem and to find a solution. The Council's lack of action has but one reason: the restrictive economic policy pursued by the Conservative governments. This attitude is highly irresponsible.

Furthermore, the latest OECD report, amongst others, clearly shows no sign of a fall in unemployment. In September, the rate in the ten Community countries was 10.6%. Even the Commission is unable to see a solution in sight either, and everyone knows that the young are particularly hard hit.

There is no use in Mr Richard attempting statistical contortions here today by saying that the youth unemployment rate is falling or has stabilized in a number of countries. We noted this during our debate on long-term unemployment. The figures are alarmingly high, and we should not forget all those who do not figure in the statistics at all and therefore do not receive any form of support either. The lack of will to tackle the problem was also clearly documented by the budget submitted to us by the Council. This is alarming when we compare it with the alarm signals we are receiving from all sides, from the trade union movement too, and which tell us to get busy, really busy, in bringing our imaginations to bear and finding solutions to the problems. What we need is an active employment policy with the main focus on a targeted

industrial policy. The same applies to the environment and energy, and last but not least, we should join the trade union movement in supporting its demand for a 35-hour working week with no loss of pay, which will also offer good prospects for hundreds of thousands of young people in our countries.

Mr Mallet (PPE). — *(FR)* Mr President, ladies and gentlemen, we cannot possibly make a balanced judgement on the Irish Presidency without bearing in mind one fact which is of crucial importance.

You inherited a difficult, not to say unhealthy, situation. The European Council in Fontainebleau was misleadingly presented as a historic event when in fact it was nothing but a laborious compromise. It resolved the problem of the British contribution, although the conditions were poor enough, but left the problem of how the Community was to be financed in 1984 unresolved, and along with it the very future of the Community. In the circumstances, these last six months were bound to be a period of disillusionment.

Let us at least thank the Irish Presidency for all the efforts it has made to ensure that the Community survived. The 1984 supplementary budget more or less plugged the gap that the Fontainebleau agreement had left. That is, after all, a positive result. And let us not forget that we are going to be up against the same problems in 1985, and that the price we paid for this reprieve was an exorbitant one. I should like to draw your attention to the agreement on budgetary discipline.

You did not stop there of course. The negotiations on the renewal of the Lomé Convention were brought to a conclusion, and that seems to me to be an Irish speciality. A breakthrough was made on the still rock-strewn road to enlargement, and work was started on a project for European Union intended to make Europe a genuine political entity. But the most important things still remain to be done. More than ever we are faced with certain fundamental questions to which the Member States do not respond with one voice. What is a European Community today? What must we do to ensure that enlargement does not result in dilution? What should we do to halt Europe's slide down the slippery slope? At the end of these six months, nothing has really been gained, but nothing has been entirely lost either. The future of Europe is in abeyance. What it needs is a new political project, and we have high hopes of the European Council to be held in Milan in June.

Mrs Crawley (S). — Mr President, this month the draft recommendation on the promotion of positive action for women will have been endorsed by the Social Affairs Council. That endorsement will mark the end of a process which began when the Irish Presidency decided on a major issue and that issue was that

Crawley

it wished to confront in its term of office the political and economic quicksands on which the equal opportunities legislation of the 1970s was foundering right across the Member States of the Community.

Many of us, while welcoming this substantial initiative of the Irish Presidency, regretted loudly and vociferously the stark fact that as a mere recommendation its impact on hostile States would be negligible and its measures for analysing, monitoring and recording structural bias and inequality be open to total disregard.

Mr President, we also reminded the Council on numerous occasions within the Committee on Women's Rights and in this Chamber that there are several draft directives in front of it gathering dust, directives which ought to be adopted without further procrastination. The 53% of Europeans who are women and who face the daily hand of State rejection cannot afford to wait upon the political and economic whims of Member States. They have lives that are being wasted, they have skills and talents going untapped and unrecognized. Their desire and fundamental right to be economically independent is constantly thwarted and jeered at by governments who are more than willing to sacrifice European women's aspirations to the gods of economic market forces and low pay.

In my own country and throughout the Community, women have by punitive legislative measures had the role of substitute welfare state foisted on them by governments who are throwing off all responsibility for caring. Who looks after Europe's elderly, Europe's sick, Europe's handicapped now? Who has been forced to reconstruct the shattered minds and broken bodies of Europe's young unemployed people who turn increasingly to drugs and to alcoholism to soften the blows of rejection? Who picks up the economic bill for the vandalism wrought by governments such as my own, who have recently brought about measures to cut off thousands of women from working in the Manpower Services Commission's community programme? Who pays the price of right-wing economic idolatry with their lost opportunities? Women do, Mr President.

Last week in Brussels, Gemma Hussey TD, the Irish Minister for Education, summed up the frustration and anger felt by many of us when she said, 'This world cannot afford the luxury of ignoring or underusing the knowledge, skills and abilities of half of its population'.

So, in conclusion, I acknowledge the constructive intentions of the Irish Presidency to push forward this positive action recommendation, I thank the Irish Presidency for inviting me to attend the conference in Dublin on maternity leave for women in independent professions, and I urge all Member States to imple-

ment, as a matter of extreme urgency, the recommendations of that positive action report.

Mr Chanterie (PPE). — (NL) Mr President, the acting President of the Council has just mentioned that a number of important meetings of the Council of Ministers have still to be held before the end of the Irish presidency. I would like to make particular reference to the Council of social affairs ministers to be held in Brussels tomorrow. One of the items on the agenda is a motion for a resolution on the fight against long-term unemployment. This has been a priority question for the Irish presidency.

In Parliament we made an urgent appeal for an emergency plan for the long-term unemployed, one which went much further than the original Commission proposal. Can the Council President give an assurance that during tomorrow's discussions the Irish President will defend Parliament's views on this matter? We cannot help thinking that a more comprehensive approach would be more effective. Here I am referring to the 14 draft resolutions already submitted to the Council, which has sadly not yet reached a decision. These draft resolutions concern temporary work, part-time work and the reorganization and redistribution of working time. All these measures would make a substantial contribution towards reducing long-term unemployment.

The employment situation can be improved on the basis of a plan for economic recovery as worked out by Parliament but also on the basis of a coherent employment policy directed mainly at young people out of work. Action on a large scale is urgently necessary, and I hope that the Council of social affairs ministers will be fully aware of this.

Another item on the agenda is the Vredeling Directive. This is also urgent. The Council seems to be completely unaware of the crises which occur regularly in a number of firms as a result of unilateral decisions, especially by multinationals. The most recent instance of this occurred in my country ten days ago. About a thousand workers learnt from an American newspaper that they would be out of a job as a result of the closure of four subsidiaries of Blue Bell in Limburg. The EPP Group condemns such behaviour and demands, in a motion for a resolution which I tabled with the support of the entire Group, European legislation to ensure that employees are informed and consulted.

Finally, Mr President, I would like to make a protest against the Council's decision on budgetary discipline.

President. — I am sorry, Mr Chanterie, but your speaking time is up.

Mr Pöttering (PPE). — (DE) I would like to comment on the integrated Mediterranean programmes

Pöttering

which were an important point at the Summit in Dublin. I very much regret, not to use a stronger expression, that the Summit did not discuss the question of a revolving fund, i.e. the idea of low-interest loans — comparable with the Marshall plan — as we suggested in the report which I had the honour of drawing up for this Parliament, and which it adopted almost unanimously in February 1982.

I would like to suggest that we once again take up this idea of a revolving fund in the discussion on the integrated Mediterranean programme. Our colleague, Mr Kasatsis, who submitted the report on the integrated Mediterranean programme to Parliament in March this year, has done just that. I urge the Council of Ministers to adopt the plan and, in connection with this, I would ask the Commission also to give careful consideration to the matter.

Mr Barry, President-in-Office of the Council. — I am very conscious of the lateness of the hour and that many people, including the interpreters, want to get to their lunch, not, of course, including yourself, Mr President who through goodwill of the Conservative and Socialist Members from the United Kingdom were presented with your lunch at your desk. I know that other people have not had that benefit.

I think there have been about 20 to 25 speakers in this debate this morning, and I want to say, on behalf of my government and myself — and the Irish Presidency generally — how grateful I am for the very positive contributions that were made and the complimentary things that were said about our Presidency. Naturally the degree of warmth varied from speaker to speaker. But I think all the speakers, except two, found something positive to say about the contribution of the Irish Presidency and the positive attitude we adopted over the last six months. It is an extraordinary thing that two Members found nothing good to say about the Irish Presidency in the last six months. It is quite true, of course, what Dr Johnson, a friend of your Conservative colleagues, said 200 years ago: 'The Irish are a very fair people, they never speak well of one another.' It is interesting that the only two speakers in the House this morning who could find nothing good to say about the Irish Presidency were two Irishmen. It is ironical, but in the same spirit that allows you to be presented with cakes, Mr President, I will not refer to your contribution or to Mr Maher's any further, and leave it at that. It is a little disappointing, but there you are.

I think, as I said in my opening remarks, that the Presidency set out to achieve something positive for the advancement of the Community during its period of office. I think that we did do something on that road — not as much as we would have liked and not as firmly in many directions as we would have wished — but still we did achieve something in various areas. We managed to conclude the negotiations — which were

very difficult and involved many long hours — to allow the third Lomé Convention to be signed last Saturday in Lomé. I am glad of that. The presence of the Community with the Contadora Group countries and the Central American States in San José, I think, will be looked back upon in years and decades to come as a significant contribution to bringing peace and stability to that area of the world. I certainly hope that is so and I believe it is also the wish of all Members of this Parliament and all the States of the Community.

On the budget: as somebody said, we cobbled together an agreement for the 1984 budget, and that was important for the Community. I gather the spirit of goodwill that the times should dictate, and indeed the spirit of this debate this morning might perhaps indicate, will not extend to the vote tomorrow night by Parliament. You are not in the humour to act as Santa Claus tomorrow night, so there will be a negative response to the 1985 budget. I think that is a pity, but I think it is in keeping with the Treaties on the basis of which we all operate. It is important that the Parliament has a role in the budget, and you are perfectly within your democratic rights in exercising that role, and I recognize that. The point has been made that, in fact, you are speeding up the process of finding solutions rather than, as I suggested in my opening remarks, of slowing them down. Naturally I think my interpretation is correct. One speaker here suggested this morning that the Council should be ignored and the Commission and the Parliament should go ahead on their own and advance this Community. I think we should look again at what is possible under the Treaties. It is like somebody saying that he will only accept some of the Commandments as he does not like the others. The fact is that the Treaties lay down roles for the Commission, for Parliament and for the Council. By continually squabbling among yourselves and ignoring one another's rights you are saying that this or that institution of the Community is not doing its bit; that you are pure and holy, whereas the other two are useless. That is the sort of negative thinking that has got us into the position at the moment where the people of Europe have no faith in its future. It is up to us to rekindle that faith. It is not just up to the Council, it is not just up to the Commission, it is not just up to the Parliament; it is up to all three institutions together. Because as sure as we fail to do that, and try to push ahead with our own set of rights and responsibilities in this regard and ignore the other two, we are certainly going to trip up the whole Community in the future. We must restore the faith of the people and rekindle the kind of high hope that was there 25 years ago when the Community was founded. That can be done. I think we tried to do this by setting up two committees during our Presidency, to which the Taoiseach referred when he spoke yesterday. They have done very positive work as is obvious in the Dooge Committee's interim report to the Council last week. The other committee is less well advanced. But they are two extremely important committees which can get

Barry

this Community back on the road again. But it needs the partnership of the three institutions, it does not need setting one institution against the other two in the future.

The most important task we had undertaken, as I said at the outset, was enlargement. This is very difficult territory for Member States of the present Community. We should not ignore that fact. Mrs Ewing spoke about the fisheries dossier. We also know about the difficulties concerning wine, agriculture and migrant workers. These were all extremely sensitive issues for the existing Member States. Yet the political will was there to say that we want this Community enlarged because the process of growth of the Community must continue. We want Spain and Portugal to come in.

Even the question of integrated Mediterranean programmes. The Irish Presidency accepts that the problems which will be experienced by the southern region of the Community with the enlargement to include Spain and Portugal do present difficulties for certain countries and that the Community, if it is a real Community, must try to alleviate those difficulties. Even with that, the Greek delegation said last Monday and Tuesday they wanted Spain and Portugal in the Community, they wanted enlargement to take place. Underlying all the difficulties, there is the will to build up this Community to include not just Spain and Portugal but other countries in the future as well. It is not going to be easy, it is going to demand sacrifices from individual countries, it is going to demand sacrifices from people, but the overall political objective of making it a truly integrated European Community can only succeed if we expand it to include other new Member States. I believe that will is still there. I think it has taken a bit of a battering over the last years under the squalls of economic recession, but I still think it is there and I still have sufficient faith that if the institutions work together and if we can make the people of Europe enthusiastic we can reach those goals that are so desirable for the peace of the world.

(Applause)

President. — The debate is closed.

We shall now vote on the request for an early vote on the three motions for resolutions which wound up the debate¹.

(Parliament approved the requests for an early vote)

¹ Motions for resolutions:
— by Mrs Salisch and Mrs Dury (Doc. 2-1188/84), on behalf of the Socialist Group
— by the Group of the European Democratic Alliance (Doc. 2-1235/84)
— by Mr Brok and others (Doc. 2-1236/84/rev.).

The vote on the motions themselves will be taken at voting time this evening.

(The sitting was suspended at 1.30 p.m. and resumed at 3.15 p.m.)

IN THE CHAIR: MR FANTI

Vice-President

5. *Topical and urgent debate (objections)*

President. — Pursuant to the 2nd subparagraph of Rule 48(2) of the Rules of Procedure, I have received the following objections, tabled and justified in writing, to the list of subjects for the next topical and urgent debate, which is due to be held tomorrow, 13 December 1984.

*(The President read out the objections)*¹

I inform you that the vote on these objections has been held without debate.

After the vote

Mr Cottrell (ED). — I would not wish to question the wisdom of the Chair but insofar as I understood the translation of your remarks concerning Mr Sherlock's resolution on acid rain, I think the House may have misunderstood Mr Sherlock's proposition. It was certainly clear to me that the impression which you gave to the House was the reverse of the content of Mr Sherlock's resolution. I wonder if, in fact, there has been a misunderstanding, particularly among the Christian Democratic Group and also among the Members of the Rainbow Group, and most particularly among the German Christian Democratic Members. It was not clear to me that the proposition was put in the right way.

President. — Mr Cottrell, unless there is proof to the contrary, I think you can assume that I can read.

6. *Question Time (contd)*

President. — The next item is the second part of Question Time (Doc. 2-1160/84). We start with questions to the Council.

Since they deal with the same subject, Question No 98, by Mr Christodoulou (H-283/84):

¹ See Minutes.

President

Subject: Community financing for the projects of the five-year Greek programme

In May 1984, the Greek Government submitted to the Commission a package of industrial and infrastructure projects to be financed by the European Community. These projects relate to the five-year economic and social development programme. At the Budget Ministers' meeting on 20 July 1984, the Council decided to enter a special item in the Community draft budget under the title 'Five-year Greek programme', with a p.m. against appropriations for commitment and payments.

Following the Council's adoption of the draft budget for 1985, can it state whether there are any plans to finance the projects of the five-year Greek programme and indicate whether the relevant Community finance that it is proposing is to be forthcoming from existing structural funds or whether additional finance (either in the form of loans or a grant) is to be sought over and above that provided for under the Community's existing financial instruments?

and Question No 111, by Mr Adamou (H-329/84):

Subject: Community finance for projects under the five-year development programme

In its Memorandum, the Greek Government requested Community finance for projects to be carried out under its five-year development programme, within which context there had been cooperation with the Commission. Would the Council state for what projects and in what amounts special financing will be made available under the 1985 budget?

will be taken together.

Mr Barry, President-in-Office of the Council. — The Council would remind the honourable Member that in its reply to the memorandum submitted by the Greek Government the Commission undertook to give sympathetic consideration to requests made concerning large-scale projects under the five-year development programme.

On that occasion the Commission reserved the right to provide financial assistance either within the framework of current activities under its own responsibility or within the framework of the specific proposals to be submitted to the Council with regard to such measures, the duration of which should not exceed four years. Although there have been contacts between the Greek Government and the Commission with regard to these large-scale projects, the Council has not yet received specific proposals from the Commission in this context. Pending proposals from the Commission in this connection, the Council has on its own initiative created a new Article 570 — EEC participation in

Greece's five-year economic and social development programme 1984-88 — in the draft budget for 1985 and has made a token entry against it, because commitment or payment appropriations cannot be entered under this heading as matters stand at present. Moreover, in the absence of these proposals the Council is unable to take a decision on the types of investment or on the possible form and amount of Community participation in the funding of the programme.

Mr Christodoulou (PPE). — (GR) I must say how surprised I am at the way the President-in-Office is avoiding the question at a time when, only a few days ago, the Greek State Secretary for the national economy, Mr Roumeliotis, gave a press interview in which he went into detail about how the Commission would be presenting proposals involving the financing of major infrastructure works in the fields of transport, industry, energy and research, with a Community contribution of 600 million ECU covering 70% of costs in the field of transport and 40% in the other fields.

May I therefore ask the President-in-Office whether the figures and percentages quoted by the State Secretary for the national economy are correct. When does the Commission expect to be submitting its proposals, and why has there been such a delay? We are now coming to the end of the third year of the five-year programme. If we wait a little longer we shall be into the next five-year programme.

Mr Barry. — The President-in-Office was not evading the question, as the honourable Member suggests. What I said was that the Commission had not yet made proposals. There is no contradiction between that and what the supplementary question was about. The questioner said that the Greek Minister had said that the Commission *intended* to make proposals to the Council. The point of my reply was that the Council cannot take decisions *until* the Commission makes proposals. As it has not yet done so the Council cannot take a decision.

Mr Alavanos (COM). — (GR) I too regard the President-in-Office's reply as totally inadequate, and I should like to put the following supplementary to him. It is of course true that the ball is now in the Commission's court, and under the procedure for tabling questions to the Commission we will have to wait another four months before we get an answer. Despite that, may I ask the President-in-Office whether he has concerned himself with the matter, and whether he believes that appropriations will be granted to Greece in 1985 to finance the five-year programme.

Mr Barry. — That is the second time it has been suggested that I have evaded the question. I have not evaded the question at all. The Council can only take decisions on the basis of proposals made to it by the

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Commission. The Commission has not yet made proposals to the Council and therefore the Council cannot yet take a decision. That is what I said in my original reply, what I said in reply to the first supplementary and what I must repeat now. Therefore, whether I think that the amounts provided are sufficient or insufficient does not arise, because no amounts have as yet been proposed by the Commission.

Mr Hutton (ED). — Would the President-in-Office of the Council say if an independent economic assessment has been obtained of the viability of investments in projects for which the Greek Government has requested support, so that this Parliament and the taxpayers can be convinced that the funds are being purposefully used in accordance with Community regulations? If such an assessment has not been ordered, will he assure this House that one will be made?

Mr Barry. — No, I will not give any such assurance to the House. These are matters for the Commission. The Commission will make its assessment on the basis of suggestions or proposals made to it by the Greek Government. It will assess these proposals and recommend to the Council which ones should be acted upon. These are the normal procedures of the institutions of this Community, and they will be abided by.

Mr Anastasopoulos (PPE). — (GR) May I first of all ask the President-in-Office whether he can state approximately when the Commission will be submitting its proposals.

Secondly, does he consider the figure entered in the 1985 budget adequate, when account is taken of the fact that, of the 160 million ECU proposed by Parliament for the Mediterranean programmes and the contribution to the Greek five-year development programme, the Council has finally approved only 50 million ECU?

Mr Barry. — I think there is a little confusion here, Integrated Mediterranean programmes are not the subject of this question. I could not say what amount of money would be in the budget for 1985, because it cannot be determined until the proposals are received, costed and agreed upon.

President. — I call Question No 99 by Mr Hutton (H-116/84):

Subject: Second joint declaration on conciliation procedure

When will the Council sign the draft second joint declaration on the conciliation procedure, adopted by Parliament in December 1983¹ and

agreed to by the Commission with only one amendment, in view of the Council's aim, stated in the Solemn Declaration of Stuttgart of June 1983, of improving and extending the scope of the conciliation procedure¹?

Mr Barry, President-in-Office of the Council. — The Council is examining the Commission proposals to improve the conciliation procedures in the light, *inter alia*, of the opinion adopted by the European Parliament in December 1983. However, the Council proved unable to arrive at the common position which would have allowed work to begin with the European Parliament, and the Commission is preparing a new joint declaration on the conciliation procedure. The Presidency informed the enlarged Bureau of the European Parliament in greater detail of the proceedings which took place within the Council at the meeting between the Bureau and the ten Ministers for Foreign Affairs of the Member States of the European Community on 20 November 1984.

Mr Hutton (ED). — Before I ask a supplementary question, may I thank the President-in-Office for the courteous way in which he has answered questions in this House over the past six months.

Could I now ask him if the Danish Government has invoked the so-called Luxembourg compromise and claimed that improvements in the conciliation procedure involve a vital national interest for Denmark? If it has not, what possible justification does the Irish Presidency have for not taking a majority decision to start discussions with the European Parliament on the conciliation procedure?

Mr Barry. — Unanimity is needed for joint declarations, and one Member State does not agree to allow a unanimous decision to be taken in this regard.

President. — Since they deal with the same subject, the following questions will be taken together.

Question No 100, by Mr Marshall (H-144/84):

Subject: Spanish accession to the EEC

Can the Council give us a guarantee that the terms of Spanish accession to the EEC will not be such as to prejudice those other Mediterranean countries who have enjoyed preferential access to the Community?

Question No 103, by Mr Wijsenbeek (H-293/84):

Subject: Accession negotiations with Spain

¹ OJ C 10 of 16 1. 1984.

¹ Bulletin of the European Communities, No 6-1983, point 1.6.1, section 2.3.6.

President

Can the Council state whether the United Kingdom is reserving its position with regard to the accession negotiations with Spain because Spain has not completely lifted the blockade on Gibraltar?

Question No 105, by Mr Pininfarina (H-307/84):

Subject: Enlargement of the Community to include Spain and Portugal

Noting that the state of negotiations with Spain and Portugal calls in question the accession in 1986 of these two countries to the EEC, and noting with special concern the interruption of negotiations at ministerial level because the Council delegation was insufficiently representative of the Community, does not the Council find it disrespectful towards the Spanish and Portuguese ministers and detrimental to the Community's prestige that the governments should approach with insouciance a political problem of such importance?

Question No 106, by Mrs Ewing (H-309/84):

Subject: Fisheries negotiations with Spain

Will the President-in-Office comment on recent progress made in the accession negotiations with Spain *vis-à-vis* fisheries?

Question No 131, by Mr MacSharry (H-408/84):

Subject: Spanish accession and the Regional Fund

In reply to Oral Question No 0-15/84¹ by Mr Arndt and others concerning the accession negotiations, the President-in-Office of the Council does not refer to the state of negotiations on the Regional Fund. Given the regional structures of Spain and Portugal, this is a vital question. Would the Council state the situation in regard to negotiations on the Regional Fund with Spain and Portugal?

Question No 138, by Mr Lomas (H-438/84):

Subject: Spanish accession to the EEC

According to the European Communities Commission Bulletin 'The Week in Europe, 25 October 1984', the EEC Foreign Ministers have reached 'a common attitude' on Spanish migrant workers.

Can the Council tell me what the position will be regarding Spanish migrant workers working in Gibraltar, and if there is a transition period or if there are quotas to be imposed?

Mr Barry, President-in-Office of the Council. — The situation with regard to the negotiations on the

enlargement of the Community have been dealt with in the statement by the President of the European Council, Dr FitzGerald, on the outcome of the European Council and in my statement this morning on the Irish presidency.

As a result of the agreements reached at the European Council and the Foreign Affairs Council last week, the negotiations with Spain and Portugal can now enter the final phase on the basis of the Community positions which have been adopted on all the major issues.

Mr Marshall (ED). — Would the President-in-Office of the Council accept that the decisions made in Summit did not deal with the problems of our traditional Mediterranean suppliers? Would he accept that countries such as Morocco, Tunisia and Israel have very grave economic problems, that they export a substantial amount to the Community, that when Spain joins the Community those exports will be put at risk and the Community has a moral obligation to strike an accord with those countries so that they are not penalized by the accession of Spain to the Community?

Mr Barry. — I think the best reply I can give to that question is to quote from the Council declaration of January 1983 in the context of the accession negotiations with Spain:

In the case of cooperation or association agreements concluded by the Community with certain countries, the exploratory talks will have to be stepped up with a view to examining the difficulties they might encounter as a result of enlargement and receiving from them such analysis and assessment data as they might wish to put forward.

These talks will be conducted in parallel with the enlargement negotiations so that before the latter are concluded on the basis of specific proposals by the Commission and in connection with the applicant countries, the Council might acquire an overall view of the problems encountered and the steps which could be envisaged to deal with them with a view to determining such political guidelines and possible decisions on the adjustment of the cooperation or association agreements as might appear necessary.

I think that clearly indicates that the concerns expressed by the questioner are taken into account.

Mr Wijzenbeek (L). — (NL) Now that the specific problem I raised in my question would appear to be a thing of the past, may I ask the President-in-Office whether there are any other bilateral problems in this context, including — although it is not strictly one of the Community's bilateral problem — the question of diplomatic relations between Spain and Israel. What is the position on this particular point?

¹ See debates of 12. 9. 1984, p. 98.

Mr Barry. — I do not think that was the subject of the original question. I cannot tell you at the moment what the relations with Israel are, but of course Israel is a Mediterranean country in the sense that the Community has an agreement with it. Therefore, my reply to the last supplementary would apply again in this case.

Mr MacSharry (RDE). — I wish to express my agreement with what Mr Hutton said earlier in relation to the President-in-Office of the Council. Mr Barry has replied most courteously to our questions here over the period of the last six months and I thank him for it.

I am disappointed in the reply to Question No 131 which spoke specifically of the Regional Fund and the difficulties that would arise with the accession of Spain and Portugal and the regional structures existing there at present.

The question I would like to ask the President-in-Office of the Council is this: will the total ERDF be increased and, if so, by how much? Will the percentage for countries like Ireland, for example, be more or less than exists at present? I think these are fundamental issues that are of concern to all Member States at present. I would appreciate it if the President-in-Office of the Council could be a little more specific in place of the global references that have been made, with all due respect to the President-in-Office himself and his leader.

Mr Barry. — When I replied to the original question I said that matters in relation to enlargement had been dealt with both by the Taoiseach yesterday and myself today. This is one of the questions that has been dealt with in both our replies. The point there is that yes, the Regional Fund will be increased substantially in real terms on accession. That has been agreed already.

Mr Lomas (S). — I wanted to ask the President-in-Office if he could give me some reply to my question, which he is answering too and which is specifically about the effects of Spanish entry on Gibraltar. I wonder if he is aware of the deep concern and alarm felt by the people there at the effect Spanish migrant workers will have on that tiny community? Any influx of workers obviously will be quite disastrous to employment even if there is a transition period.

Can the Council give Gibraltarians any hope that they will not have to suffer in that way?

Mr Barry. — The relationship between Gibraltar and Spain is a matter for bilateral negotiations. In fact, I would direct the questioner's attention to the communiqué that was issued last week as a result of negotiations between the Foreign Minister of Spain and the

Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom.

Mr Wurtz (COM). — (*FR*) The prospect of enlargement is causing great concern to our ACP partners. The Lomé Convention has just been extended. Can we have precise details of the procedures for consulting our ACP partners with regard to the enlargement and its consequences?

Mr Barry. — The third Lomé Convention has been signed and agreed. Therefore the position of the ACP countries is assured for the five years starting from next March. Now if they have any concern during that period, which will still be within the period of transition, of course, the machinery is there for consulting them and discussing any problems they might have in that regard. The Convention has now in fact been signed, so they should have no concern for the next five years at least.

Mr Beyer de Ryke (L). — (*FR*) Mr President-in-Office, Question Time is an Anglo-Saxon sport at which you excel. A brief question deserves a brief answer, but I note to my great regret that the question by my friend Florus Wijsenbeek did not receive any answer at all. Not just a brief answer, but no answer at all! Let me therefore put the question again. Are Israel and Spain going to establish diplomatic relations? Is the matter on the agenda, or has it been raised in the context of enlargement?

I am not adopting any personal stance on the matter — I am just asking you the question. I should like to have as clear and explicit a reply as possible. Thank you Mr President-in-Office.

Mr Barry. — I understood the last question to concern the relation between the Community and Israel in terms of Mediterranean products, because diplomatic relations between Spain and Israel have nothing at all to do with the Community. That is a matter for the two governments concerned. That was brief and to the point.

(*Laughter*)

Mr McMillan-Scott (ED). — The President-in-Office made reference to exploratory talks with other Mediterranean nations. Could he give some indication when these may start, particularly in relation to the reported application by Morocco to join the European Economic Community?

(*Laughter*)

Mr Barry. — No I could not, but I have certainly seen the report. I was not under the impression that Morocco was part of the European continent.

Mr Mattina (S). — *(IT)* I should like to know the position with regard to the German Government's proposal to change the provisions affecting migrant workers within the Community.

Quite frankly, it is totally unjust that there should not be equal economic and legislative treatment for people doing the same work within the Community, and I would consider it absolutely disgusting if the current provisions were to be changed.

Mr Barry. — As I said this morning when I was speaking to the Parliament, this is something that is under discussion at the moment. I do not think it would be wise on my part at this stage to say what the possible outcome of these negotiations would be.

Mr van Aerssen (PPE). — *(DE)* Mr President-in-Office, with all due respect for your statement that the Council had issued a declaration in 1983, those of the Members present who took part in the 10th meeting between the national parliaments of the Member States and the fourteen Arab states belonging to the Euro-Arab community did not get the impression that the Arab countries were informed about what would happen after the accession of Portugal and Spain to the Community.

What specific steps will the Council now take on the basis of the 1983 decision to explain these consequences, with a view to creating a political awareness of this problem?

Mr Barry. — I cannot agree with the questioner that we have not informed them. They are fully informed of what is going on, and substantial negotiations will commence in the closing stages of the negotiations with Spain and Portugal.

I would also draw Parliament's attention to the fact that the announcement of the responsibilities allocated to the new Commission as made last week indicates one Commissioner as being primarily responsible for relations with the Mediterranean countries. This is an indication of the seriousness with which the Commission is approaching this problem.

Mr Barrett (RDE). — With respect, could I point out to the President-in-Office that he did not answer the second part of Mr MacSharry's question, which was: Will the percentage of the ERDF available to Ireland be more or less after the accession of Spain and Portugal?

Mr Barry. — It is not the second part of Mr MacSharry's question. It does not refer to Ireland at all. Anyway, to answer the question, it certainly will not be less, and I think that the new division of the ERDF

announced in the last month indicates that quite clearly.

Mr McMahon (S). — I would like to ask the President-in-Office about sugar quotas. I understand that in Lomé last week he signed the ACP agreement. I am particularly concerned about the totally inadequate arrangements that have been made for Portugal's accession. For example, Portugal asked for a quota of 300 000 tonnes of cane sugar and they have only been allocated 70 000 tonnes. This will cause great problems for the sugar-cane industry, not only in Portugal, but also in the United Kingdom. I wonder what steps the Council is going to take to revise the totally inadequate arrangements that have been made in this respect.

Mr Barry. — The two figures quoted by the questioner are correct: Portugal has said what she considers necessary and the Community has stated its position. That is the basis on which the negotiations will take place on Monday and Tuesday next.

President. — I call Question No 101, by Mr von Wogau (H-371/84):¹

Subject: Standard customs document

The proposal for a regulation to simplify the formalities for intra-Community transport of goods and a draft standard customs document was originally intended to simplify border formalities and customs processing for the intra-Community transport of goods.

Does the Council take the view that the present proposals meet this aim, or does it not feel that the draft forms and the note which forms part of the draft basic regulation, if they were to be used in this form, would in fact complicate considerably the transport of goods and run counter to these commendable objectives?

What scope does the Council see for making the regulation to simplify formalities and the single customs document more practicable and less bureaucratic, so that this simplification would really help firms instead of imposing an even more complicated and comprehensive procedure?

Mr Barry, President-in-Office of the Council. — As the honourable Member has pointed out, one of the principle objectives of the Commission's initiative on the introduction of a single document is to simplify the formalities when goods move within the Community. The Council has already borne this objective in mind when considering the Commission's various proposals

¹ Former oral question without debate (0-32/84) converted into a question for Question Time.

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on the subject, and is actively pursuing studies aimed at ensuring that it is achieved. Accordingly, it has drawn up a list of a maximum number of particulars which Member States may require in intra-Community trade. The list has been reexamined in order to reduce the number of particulars still further. In point of fact, the Internal Market Council proposed an initial reduction of the particulars to appear on the single document at its meeting of 9 October 1984. Since then, a working-party of senior officials has been instructed to reduce the number of particulars still further, and it has just completed this task. Moreover, the draft basic regulation which the Council agreed in principle at its meeting of 9 October contains provisions enabling formalities to be still further reduced by providing for the possibilities of recourse to simplified and computerized procedures which even include exemptions from any form of written declaration. Lastly, the Council would draw attention to the resolution of May 1984 on the computerization of administrative procedures in intra-Community trade, which is intended to initiate a second phase going beyond the single document towards a greater simplification of formalities.

Mr von Wogau (PPE). — (*DE*) Does the Council realize that this is a typical example of what can happen when something is agreed upon in the Community? It was originally said that the aim was a simple document, and that what was wanted was for someone to be able to travel throughout the Community with an invoice as an accompanying document — in other words, the invoice alone would be sufficient. Then the individual Member States came along and say they needed a simple document, but with a certain number of particulars. Since these ten particulars varied from country to country, it was found that the document would have to contain 70 particulars. With an enormous effort this was reduced to 48 particulars. I nevertheless think that somebody sitting with that document in front of him and having to enter the 48 particulars has still got too much to do, particularly if it is a small or medium-sized undertaking which is involved.

Is the Council not prepared to insist that there must be a much simpler document, so that the man in the street is capable of providing the information required without having to resort to a computer?

Mr Barry. — I accept what the questioner says. In spite of what he says, this does represent, I think, quite remarkable progress. There has been a reduction of 30% in the amount of form-filling to be done and it is not the intention that it should be frozen at that point, but that it should advance from there. I should also say, as I said this morning, that the breakthrough that I have indicated has been welcomed by the representatives of trade and commerce throughout the Community, so I think that while it is not enough, it is

certainly a move in the right direction, and has been welcomed as such by the people directly involved.

Mr Patterson (ED). — We can congratulate the working-party on a 30% reduction in the number of questions, but could the President-in-Office explain how it is that this has only got it down to 48, whereas a similar Benelux document makes do with only 18 questions? Could we not adopt the Benelux document instead?

Perhaps I could also ask when this document is actually going to come into force. I have read somewhere that it is not going to be introduced until 1986.

Mr Barry. — I am not sure of the exact date, but it is expected that the Council meeting on 18 December will confirm the reduction and that the official text will be adopted after finalization by the jurist-linguists. When it will actually come into force I could not say, but I think 1986 might be a little pessimistic as a view as to when it will happen.

Mr de Vries (L). — Would not the Council confirm the opinion that 48 items on such a document gives the impression of a Kafkaesque bureaucracy and that the European Community should follow the lead of the Benelux countries and reduce the maximum number of items to under 20?

Mr Barry. — That would be the end result at which the Community is aiming. Indeed, I hope the end is not too far ahead. However, if it is Kafka at forty-eight, what was it at seventy? It was far worse. At least we are going the right direction. It hasn't moved from forty-eight to seventy, it has moved from seventy to forty-eight!

Mr Rogalla (S). — (*DE*) Mr President-in-Office, do you remember what you said this morning about a People's Europe, and what your Prime Minister said yesterday on the same subject? Do you realize that the wishes reflected in the 48 particulars came only from civil servants and bureaucrats, and not one of them from the man in the street? Would it not be possible to hand over this problem first of all to the Committee for a Citizens' Europe with a firm deadline, so that they can finally come up with a document which reflects the needs of ordinary people and get back to the invoice as the only basis for the transport of goods?

Mr Barry. — These supplementary questions are prompted by the question put down about the single document for intra-Community trade. It is fashionable at the moment to quote Kafka and Orwell and to talk about 1984 being the year of the bureaucrat. How-

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ever, let us at least register our appreciation of the one small step that was taken in 1984, even though it was only a short step, namely, a movement from seventy to forty-eight. It is not going to set the world on fire, but it is in the right direction. I think we should appreciate that point.

Mr Aigner (PPE). — (DE) Mr President-in-Office, you are always expressing the hope that something or other will be achieved. I think it is shameful for all of us here to expect a minister to answer technical questions which he cannot be expected to have mastered. Would you not agree that the Council should set a political objective and instruct the bureaucrats to achieve this objective? Would you not agree that the real duty and task of the Council should in fact be to lay down the objective and to ensure that the bureaucracy does not then water down this objective?

Mr Barry. — I do agree.

President. — Since the authors are absent, Questions Nos 102, 104, 107, 108 and 109 will receive written replies.¹

Mr Wijsenbeek (L). — (NL) Mr President, may I draw your attention to the fact that you have now mentioned the names of nearly half the Members of this Parliament who have put down questions to the Council but who have not taken the trouble to be present in the House. I just want to point that out.

President. — That was not a point of order but a criticism, and as such it can be accepted.

Since they deal with the same subject, Question No 110, by Mrs Thome-Patenôtre (H-358/84):²

Subject: The abolition of customs and police formalities at the internal frontiers of the Community in the interests of the free movement of persons and measures to combat drugs

The Fontainebleau European Council asked the Council and the Member States to examine measures for abolishing police and customs formalities at the internal frontiers of the EEC in the interests of the free movement of persons. It also instructed the *ad hoc* committee to examine measures to combat drugs. How does the Council intend to reconcile these two aims in the initial research it carries out and the first measures it introduces?

and Question No 119, by Sir Jack Stewart-Clark (H-375/84):

¹ See Annex Question Time.

² Former oral question without debate (0-48/84) converted into a question for Question Time.

Subject: Drugs abuse on Council agendas

In view of the concern expressed at the Fontainebleau summit at the extent of the problem of drug abuse in the Member States of the EEC, and of the decision to examine this problem in the context of the *ad hoc* Committee on a Citizens' Europe, can the Council confirm that the *ad hoc* committee is already dealing with this matter? Will the Council further state whether this subject is on the agenda of the forthcoming meetings of the Ministers of Health, the Ministers for Social Affairs and the Ministers for Culture in their respective Councils?

will be taken together.

Mr Barry, President-in-Office of the Council. — I had intended taking three questions together — Nos 104, 110 and 119.

The Council is not represented on the *ad hoc* Committee on a People's Europe and is therefore not in a position to reply to questions about its procedures. I would remind you, however, of what Mr FitzGerald said about this committee yesterday:

You will be aware that this *ad hoc* Committee of Representatives of the Heads of State or Government and of the President of the Commission was set up by the European Council in Fontainebleau. It met three times and presented an interim report to the Dublin Summit, which asked it to make a further report to the European Council next March.

Mr FitzGerald went on to say that the committee

has shown a welcome determination to tackle seriously the task set for it. It has agreed on a specific programme of work, at once extensive and intensive, and is approaching this work in a sensible and politically sensitive manner, seeking to avoid becoming another layer of bureaucracy but rather to provide the necessary impetus and to concentrate efforts on a range of specific measures that are likely to be of direct concern to the people of Europe in their everyday activities and which can be put into effect in the near future.

In reply to that part of Question No 110 which concerns the Council, I can assure you that measures to combat drug abuse and the abolition of police and customs formalities at frontiers do not seem to me to be incompatible.

In reply to the latter part of Question No 119, I would point out that on 18 November 1984 the Commission forwarded to the Council a communication on cooperation at Community level on health-related problems. This communication contains a section on combating drug abuse. There was a discussion on this

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communication at the informal meeting of the Health Ministers on 29 November 1984.

Mrs Thome-Patenôtre (RDE). — (*FR*) Mr President-in-Office, thank you for your reply. I would, however, add the problem of drug abuse and the fight against drug trafficking call for immediate and effective solutions as regards both prevention and detection. I should like to stress what I feel should be a priority in the EEC: as far as the frontiers between the individual Member States are concerned, the free movement of persons must be achieved by the abolition of police and customs formalities called for by the Fontainebleau summit. We have still not heard anything about the substance of the matter. The fight against drug abuse must not be taken as a pretext for hindering or preventing the movement of persons about the Community. Like the rest of you I frequently have to go to Brussels, and when the customs officers ask me if I have anything in my bag I reply that I am only going for the day and have nothing to declare — but that has nothing to do with combating the drug traffic! That should be done at the external frontier of the Community, while within the Community people should be able to move freely without customs or passport problems.

Mr Barry. — I agree very much with what the questioner has said, and I think that this indicates the difficulty of the problem. We do not want to interfere with the free movement of goods and people across frontiers inside the Community, and yet we do want to tackle very seriously and in a very urgent manner the question of drug and drug-abuse within the Community. I think they are both achievable. I do not think there is a contradiction between trying to achieve the two. I believe that the Health Council should, as they did last week, consider the problem of drug abuse. But I still think we have to work to break down the frontiers between countries inside the Community and allow the free movement of people and goods. I do not think they are incompatible.

Mr De Vries (L). — Could the Council put us at ease as to the consistency of opinion within Council? And could the Council confirm that border controls in no way contribute to the fight against the troubles stemming from drug abuse? Could the Council confirm that that is the Council's opinion and that therefore in no way are border controls necessary for the purpose of the fight against drug abuse?

Mr Barry. — I could not venture an opinion on what the questioner has just said. It strikes me that border controls are an essential weapon in the control of the movement of drugs. However, I am speaking from a layman's point of view and I would not be competent to give an opinion beyond that. It would seem to me that border controls are necessary to control the

movement of drugs and that the difficulty is to reconcile free movement of goods and people and the control of drugs.

Mr Rogalla (S). — (*DE*) Mr President-in-Office, you said you were a layman, and we are all in the same position. However, we have studied the matter closely and come to the conclusion that Mr de Vries was suggesting to you — that, in view of the quantities involved and the world-wide cooperation between drug traffickers, these checks at the internal borders of the Community have nothing to do with tackling this problem. Do you not think that the need to be protected against this evil is the same for young people in all Member States, with the result that this can be properly and effectively tackled only at Community level?

Mr Barry. — Yes, I would agree with the last part of the question. I am sure that the necessity to fight drug abuse is equal in all Member States. As regards his question about laymen having been studying the matter and found that border controls are not an effective weapon in the control of drug movement, I do not think I agree with that, but I am a layman as well. Maybe he has studied it more than I have. He agreed that drug hauls or the capture of drugs by customs officials or by police authorities in the Community are frequently made at border crossings or ports of entry and places like that. As I say, I am speaking now as a layman, but it seems to me from reading the papers that this is where the hauls are made, so I think they are a weapon in the control of drug movement.

Mr van Aerssen (PPE). — (*DE*) Mr President-in-Office, my family has lived for generations at a border, and I am therefore convinced that what you are saying is not true. Everyday experience at the border shows that it is only the small fry that get caught, and not the big fish, because this crime is organized internationally. I would therefore ask you whether you have not already heard the argument that maintaining the border checks makes it possible to save jobs — to which a wise politician replied that that was certainly true, provided the crime rate increased!

Mr Barry. — I am not sure if the questioner expects an answer. I think he was merely making a statement. I have heard that argument before, of course, but it obviously is not true and is not applicable in this case, even if what he says is correct. Again the only information I have is from reading the papers, but it appears to me that more than small fry, as he terms them, are caught at border crossings and points of entry. Even if this were correct, at least it removes some quantity of drugs from the market, so it is of benefit to that extent.

Mr Cryer (S). — From his remarks, I take it that the President-in-Office accepts the view that although it is only a small crime one should not ignore it, but that those people who are totally obsessed with creating an internal market without any barriers whatsoever are losing a sense of judgement where the battle against drug trafficking is concerned. Will he also accept that there is a need, too, to maintain border and customs supervision to contain, for example, animal diseases such as foot-and-mouth disease and rabies and that the notion of removing border controls entirely is an illusion which would, in fact, damage the Member States of the Community?

Mr Barry. — We set out to discuss, ten minutes ago, the free movement of goods. We are now discussing the movement of disease across borders. Obviously the more controls you have to reduce the movement of drugs or foot-and-mouth disease or rabies or whatever it is, the better. The more we can isolate these diseases the better the chance you have of eradicating them. What we set out to discuss was the free movement of goods, and I am all in favour of removing as quickly as possible formalities that slow down and prevent the Community developing in this regard.

President. — Since the author is absent, Question No 112 will receive a written reply.¹

I call Question No 113, by Mr Hume (H-340/84):

Subject: Super-levy on milk production

Is the Council satisfied with the measures being taken in the Member States to implement the supplementary levy on milk production?

Mr Barry, President-in-Office of the Council. — It is up to the Member States to implement the quota system in the milk sector and to the Commission to ensure that the system is properly applied. The Council is none the less closely following developments in the situation. On four occasions — in September, October, November and again at the beginning of this week — the Council held detailed discussions on the basis of oral reports by the Commissioner on the operation of the new system. On these occasions, the Council was appraised of the positive results achieved at this stage in reducing total milk production in the Community. It reaffirmed the need for Member States to continue their efforts with a view to attaining the objective set.

A certain specific difficulty still exists in several Member States regarding the application of the new system. The Council asked the Commission to examine this difficulty carefully and to submit, if necessary, appropriate proposals to remedy them. The Commission

consequently deferred from 30 September to 15 December 1984 the date for collecting the first advance payable by producers for the period from 2 April to 30 September 1984. At the meeting of 11 and 12 December, the Agriculture Council asked the Commission to defer the date for collection of the advances to the end of the current milk year in March.

Mr Hume (S). — Would the President-in-Office confirm that the allocation of extra production to Northern Ireland implied recognition of Northern Ireland as a special case? Would he confirm that the intention of the Council was to recognize the extraordinary dependence of Northern Ireland on agriculture, particularly on dairy-farming?

Further, would he confirm that the present situation, where Northern Ireland has exactly the same cutback as each other region of the UK — that is, the 1983 figures minus 9% — and that cutback in production is the most severe of any being experienced anywhere in the Community, is in clear contravention of the intention of the Council of Ministers, and would he take this matter up again with the Council?

Mr Barry. — Yes, I can accept what the honourable Member has said about the recognition by the Council of the special position of Northern Ireland as underlined by the allocation of a special extra quota to that part of Ireland.

President. — I call Question No 114, by Mr Barrett (H-345/84):

Subject: Violation by Spanish fishing vessels of Community waters

Is the Council aware that, on the basis of information provided by the Member States as required by Community law, a total of 1 122 violations of Community fishing zones by fishing fleets from non-Community countries (98 in Irish fishing zones) were recorded between 1982 and 1983, and that all but 5 such violations were committed by Spanish fishing vessels? If so, what assurances can it give Irish fishermen that enlargement will not severely damage the future development of Irish fishing?

Mr Barry, President-in-Office of the Council. — The Council has not been officially informed of the violations referred to by the honourable Member, since the Member States, which are responsible for controlling fishing activities in their respective sectors of the Community fishing-zone, are only obliged to inform the Commission of any infringement of Community rules by Community or third-country fishing-vessels. In preparing its negotiation position, the Council has taken into account the interests of Irish fishermen.

¹ See Annex *Question Time*.

Mr Barrett (RDE). — The figures on infringements given in my question are supposed to be authentic. Bearing in mind that this morning in his speech to this Parliament, the Minister stated that proposals were now made to Spain and Portugal with regard to the fishing industry and the whole question of fisheries, could he be more specific with regard to what is contained in these proposals? Would he not agree with me that the only possible way to protect the fishing industry where our country is concerned is by increasing our protection fleet, and would he and his government enter into negotiations immediately with the EEC with regard to providing the second protection vessel which was envisaged five years ago, when it was then decided it was absolutely necessary to have two instead of one? Would he not give some commitment towards the placing of an order for this protection vessel?

Mr Barry. — I agree with parts of the honourable Member's question. I certainly agree that fish-stocks need protection. I would suggest that there are two ways of doing that. One is, of course, the way he suggests, of preventing violations of the regulations by either native-owned or other Community or third-country boats.

The second one is, of course, by the conservation of fish-stocks, a commitment to which was entered at the Irish Government's request in the Fontainebleau conclusions last June. The preservation of fish-stocks was a very important part of these conclusions.

As regards the second part of his question, about a second fishery-protection vessel, I would remind the honourable Member that, as he said, the indications in the commitment were given five years ago and since then there have been four governments in Ireland, of which he was a member of two, and none of the four thought it was economically feasible to go ahead with the provision of that fishery-protection vessel at the time.

President. — I call Question No 115, by Mr Fitzgerald (H-347/84):

Subject: Verolme shipyard

In view of the imminent closure of the Verolme shipyard in Cork, will the Council indicate whether it has sought the granting of aids for studies and consultancies for new projects and investment aid in line with Regulation EEC No 217/84¹ instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the shipbuilding industry?

Mr Barry, President-in-Office of the Council. — The Council would inform the honourable Member that since the adoption of Regulation No 217/84 in January 1984, it has not received any further proposal from the Commission relating to the Community contribution to aid in the shipbuilding industry. I can assure the honourable Member, however, that the Council will consider carefully any proposals made to it by the Commission, taking into account the views expressed by the Member States.

Mr Fitzgerald (RDE). — I want particularly to thank the President-in-Office for answering this question. It is probably unique in that the particular shipyard to which I refer adjoins the parliamentary constituency represented by both him and me. Could I ask him in his capacity as President-in-Office of the Council whether he could not see his way to making an approach to the Commission in view of the fact — to follow on the question just put by my colleague — that recent events in Irish waters involving Spanish fishermen have obviously highlighted the more urgent and clearer need for greater protection in our waters? Moreover, as this is our only shipbuilding industry, and as the loss of jobs is so acute, could he not use his position as President-in-Office of the Council to initiate discussions with the Commission on aids under the article to which I refer — namely, *Official Journal* L 27, 31 January 1984, page 15. Could I ask the President, in his unique position as President-in-Office of the Council, since he and I share a common interest, if he would not in these last remaining weeks use his influence to initiate discussions with the Commission on the subject?

Mr Barry. — This is an omnibus question. There are many layers and a couple of minefields in it, so I have to be quite careful in my reply. It would not be appropriate, nor is it necessary, for the President of the Council to initiate discussions with the Commission on proposals: any member of any government in the Community can do that. It does not matter in that case whether a couple of weeks or a few years are left.

Both the previous questioner and Mr Fitzgerald referred to the recent incidents in Irish waters involving Spanish boats. If that proves anything, it proves the efficiency of the protection methods at present in operation inasmuch as the people concerned have always been apprehended and fined in court. I think that once the Community is enlarged to include Spain and Portugal you may very well find a much more responsible attitude by Spanish fishermen than there is at the moment. Of course, that would depend on the generosity, as the Spaniards would see it, of the terms being offered to them and indeed accepted by them as regards fishery rights within an enlarged Community.

As a number of questioners have said quite rightly here today, they own a fleet which is bigger than the entire

¹ OJ L 27, 31. 1. 1984, p. 15.

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Community fleet put together. But they have indicated already that it is not intended that all that fleet should be switched into Community waters if they join. If they are given access to Community waters, they will be prepared to curtail the use of this access. But these are matters which still have not been concluded because the negotiations on this are very sensitive for a number of countries — the United Kingdom, France, Denmark, Holland and Germany, as well as Ireland. These are very sensitive questions for all these countries, and the conclusion has not been reached yet. To go back to where I started, as I said, it is not necessary, nor would the President-in-Office of the Council have any more influence as President with the Commission than would an ordinary member of a Community government. It is the merits of the case and the economic viability of what is proposed which would influence the Commission and not the special pleading by any particular country or a member of the government of that country.

Mr Pearce (ED). — Does the President-in-Office share my concern that questions of shipbuilding, which are the subject of Question No 115, ought to be taken in conjunction with the related questions of shipping and of financial services to shipping and of the consequences for our military defences of having a merchant shipping fleet? It seems to me — and I come from an area with a shipyard which is perhaps faced with closure in the not too distant future — that the problem is too often cut up into small pieces and each piece will fall whereas we really look for an envelope which takes into account at the same time the industrial, transport, naval, financial and other matters that relate to shipbuilding as well as shipping and related matters. Could this be put together rather better in the future than it has been, please?

Mr Barry. — What the questioner says may or may not be right, but I have to answer the question as put down. I cannot change the question. I think this involves more than shipbuilding even though it is a related part of it. It concerns fishery protection. I think it is quite justified to put the question down and I then have an obligation to answer it.

Sir Scott-Hopkins (ED). — Mr President, I strongly object to the mobile television cameras photographing, as they did here, Members' signatures of attendance. Would you please instruct immediately that no television crew should be allowed to do that, and that the crew that has just done it should erase the film which they have already taken?

President. — I thank Mr Scott-Hopkins for drawing my attention to this matter, on which I must say that I agree with him.

I call Question No 116, by Mrs Faith (H-353/84):

Subject: Community merchant shipping fleet

What proposals for immediate action does the Council intend to take to ensure that the Community merchant shipping fleet is not jeopardized by the anti-competitive practices of non-Community operators?

Mr Barry, President-in-Office of the Council. — At its meeting of 11 December 1984, the Council adopted the following resolution on this matter:

In connection with the discussions of the memorandum from the French delegation on unfair commercial practices in shipping, the Council requests the Commission to study and present to the Council before 31 December 1984 concrete proposals dealing with this matter on the basis of which appropriate measures should be taken against such practices where they exist.

Mrs Faith (ED). — I think we all agree that urgent action is required on this matter. Between 1978 and 1983, the Community fleet was reduced by 20% while the world fleet as a whole increased by 7.8%. Future projections show that this trend is continuing. I hope the Council remembers that we want immediate action by the EEC on this matter.

Mr Barry. — I cannot tell the questioner what action the Council is taking now, because it is meeting at exactly this moment to decide what action is to be taken. However, they have been asked to take the appropriate measures against such practices where they exist, and these measures must be presented to the Council before 31 December 1984. Therefore, the sense of concern and urgency which the questioner wishes to stress has been taken into account and is being acted on by the Council.

IN THE CHAIR: MRS CASSANMAGNAGO
CERRETTI

Vice-President

Mr Marshall (ED). — Can I first of all congratulate the President-in-Office of the Council on that sense of urgency. Would he agree that the Falklands crisis indicated how valuable the merchant marine can be in times of international crisis in supplementing the armed forces of the Community?

Mr Barry. — No comment.

(Laughter)

Mr Fitzgerald (RDE). — On a point of order, Madam President. Yesterday evening, at the end of Question Time to the Commission, I asked for a written reply to Question No 36. I have not yet received that reply. I wonder why.

The second point of order has been highlighted today by a certain amount of confusion at Question time arising from the structure of the relevant document. We have before us question numbers clearly identified. Yet there is a second number attached to each question which obviously is the number used by the President-in-Office of the Council. I suggest to you, Madam President, that the use of the two numbers tends to confuse the issues here at Question Time. I think, God knows, we have enough confusion here already.

President. — The Chair and, I think, the Commission as well, have taken note of your remarks about improving the organization of our work.

We turn now to questions to the Ministers of Foreign Affairs meeting in Political Cooperation.

I call Question No 150, by Sir Peter Vanneck (H-273/84), for whom Mr Turner is deputizing:

Subject: Protection of the Community's oil supplies from the Gulf States

During the first quarter of 1984, Gulf crude covered roughly 28.3% of the Community's oil imports and 21.6% of its gross consumption.¹

Apart from the Crisis Measures, which are triggered when a 7% shortfall in oil supplies occurs, what other steps are necessary in order to ensure continuous oil supplies from the Gulf area, so that the economy of the Community is not jeopardized?

Mr Barry, President-in-Office of the Foreign Ministers. — Could I be so presumptuous as to say that I agree with everything that Mr Fitzgerald has said. I find it confusing to have questions numbered twice. Having said that, I would like to reply to the question.

This matter has not to date been discussed within the framework of European political cooperation. The honourable Member will be aware that there is some discussion on this problem in the Community bodies. It is clear that peace and stability in the Gulf area are important to the international community as a whole. The Ten have made clear their desire to see the war between Iran and Iraq ended and a peaceful solution found to those countries' differences. They have underlined to the warring parties the importance they attach to freedom of navigation and commerce in international waters.

Mr Turner (ED). — May I ask the President-in-Office whether the Foreign Ministers will keep this on their agenda, and when they have discussed it and come to some conclusions, would they please report those conclusions to the Political Affairs Committee of the European Parliament?

Mr Barry. — The matter has not been discussed within the framework of European political cooperation, but it has been discussed by the Foreign Ministers. I am sure that, in common with the Energy Ministers, who will be concerned about supply matters, they will keep it on their agenda.

President. — Since the authors are absent, Questions Nos 151 and 152 will receive written replies.¹

I call Question No 153, by Mr Stavrou (H-303/84):

Subject: Killing of EEC nationals by Albanian border guards

Two nationals of EEC Member States — a Frenchman and a Greek — were recently killed by Albanian border guards in circumstances approximating to murder.

Would the Foreign Ministers state whether they have made or intend making representations to the Albanian Government, and what specific form they have taken or will take, so that further tragic incidents of this kind do not occur in future?

Mr Barry, President-in-Office of the Foreign Ministers. — The Foreign Ministers of the Ten are keenly aware of the tragic incidents mentioned by the honourable Member. The two governments immediately concerned have taken steps to make their concern known to the Albanian Government. In these circumstances, the incidents have not been the subject of representations by the Ten.

Mr Stavrou (PPE). — (GR) May I thank the President-in-Office of the Foreign Ministers for his reply and, instead of putting a supplementary question, simply express the hope that the measures he outlined will be taken rapidly before there is a spectacular increase in the number of victims in this region.

Mr Barry. — What I said was that the two government concerned had made their own representations to the Albanian authorities. I think in those circumstances that is a much better channel for complaints than the Community itself and much more likely to lead to action being taken. But if the Community saw any possibility of productive action in the future, I am sure they would not hesitate to take it.

¹ OJ C 213/20 of 13. 8. 1984.

¹ See Annex Question Time.

President. — I call Question No 154, by Mr Tzounis (H-306/84):

Subject: Initiatives by the Greek Government to create a Balkan nuclear-free zone

Could the Foreign Ministers state whether the initiatives undertaken by the Greek Government to create a nuclear-free zone in the Balkans come within the framework of political cooperation and, if not, do they believe that such initiatives promote political cooperation, when the latter is supposed to aim at the elaboration of a unified, or at least a coordinated, foreign policy for the countries of the Community; do they feel that persistence with these initiatives, which have to all intents and purposes already failed in practice, could create the erroneous impression that the governments of the other Community countries are less peace-loving than the Greek Government; and do they consider that such an impression would facilitate their endeavours to consolidate peace in Europe on a basis of freedom and equality, this being the principal and self-evident objective of political cooperation?

Mr Barry, President-in-Office of the Foreign Ministers. — The creation of nuclear weapon-free zones in certain parts of the world could contribute to stability in the areas concerned, to non-proliferation through the disarmament process in general, provided that all states concerned were prepared to participate on the basis of agreements freely entered into and in keeping with internationally recognized principles.

However, the Ten do not have a common position on the creation of nuclear-free zones in the Balkans. In this connection I would refer the honourable Member to the reply given to oral question No H-672/83 by Mr Papaefstratiou.

Mr Tzounis (PPE). — (GR) I should like to thank the President-in-Office of the Foreign Ministers for his reply. However, in view of the fact that the Balkan countries do not agree on the establishment of a nuclear-free zone, could he tell us whether his reply can be taken to mean that, under these circumstances, the initiative of the Greek Government does not contribute to stability, to the non-proliferation of nuclear weapons and to disarmament? As regards the second part of his reply, could the President-in-Office specify what answer was given to Mr Papaefstratiou, since I do not have it in front of me, and say whether he agrees with that reply.

Mr Barry. — As regards the first part of the question, I can only repeat that the Ten do not have a common position on the proposed creation of a nuclear-free zone in the Balkans, as I said in my original reply.

As regards the second part, the answer which my predecessor in office gave was that the subject of nuclear-free zones is discussed in the framework of political cooperation among the Ten from the angle of the proceedings of the United Nations General Assembly. At each of its meetings, the General Assembly votes on various resolutions which are examined in the framework of cooperation amongst the Ten — on the Middle East, South and East Asia, Asia, Africa and Latin America, for instance, but also a proposal on nuclear-free corridors in Central Europe, which is called a Palme proposal.

On the end of the question, he says:

More specifically on the subject of the creation of a nuclear-free zone in the Balkans, it has to be said that there are strongly divergent views amongst the Ten on this subject of the proposal presented by Rumania in September 1957.

Mr Hughes (S). — In view of Russia's recently declared willingness to 'mutually detarget' nuclear weapons, does the President-in-Office agree that initiatives such as that to produce a Balkan nuclear-free zone and, indeed, all other initiatives to promote peace and the disposal of nuclear weapons are to be welcomed if we are much longer to have a Europe within which to cooperate, politically or otherwise?

Mr Barry. — Of course, I welcome any efforts that are going to produce peace and speed up disarmament but I can only repeat what I said in reply to the original question and to the supplementary, that the Ten do not have a common position on the proposed creation of a nuclear-free zone in the Balkans.

Mr Ephremidis (COM). — (GR) The President-in-Office of the Foreign Ministers stated that the Ten had not discussed the creation of a nuclear-free zone in Europe or elsewhere. Could he state whether the fact that the Ten have not discussed the matter within the framework of political cooperation excludes the right of one or more governments of the Ten to take such an initiative if, in its view and on the basis of objective facts, this will serve the wider cause of peace. Perhaps such an initiative constitutes a violation of the principles of political cooperation — although the concept of political cooperation itself is not provided for in the Treaties and was established *de facto* in violation of the Treaties?

Mr Barry. — I did not say that the Community did not discuss them. In reply to one of the supplementary questions I said that it did discuss them in the framework of the United Nations. What I did say was — and I must repeat it, because when I answer here, particularly on matters of political cooperation, then I am answering for the 10 Member States and not as the

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Irish Foreign Minister, unless I distinctly say so — that the Ten do not have a position on the matter of nuclear weapon-free zones in the Balkans.

Mr Avgerinos (S). — (GR) Mr President-in-Office, you did not answer the question as to whether these initiatives contribute to world peace, i.e. whether the nuclear-free Balkan zone would be a step towards world peace — as is the case with the nuclear-free zone in Scandinavia. I would like to hear your reply to that.

Mr Barry. — I am sorry. I do not mean to be discourteous to questioners, but I must repeat here that I speak on behalf of the Ten. I do not speak wearing an Irish hat, except when I say so. This question is addressed to me as President-in-Office of the Foreign Ministers meeting in political cooperation. It has not been discussed in that framework, even although it has been discussed, as I said, in the United Nations. Therefore, we do not have a position on it, and I am not free to give an opinion as to whether we approve or disapprove or whether we think the initiative is worthwhile or not. I do not mean to be discourteous, but that is the position.

President. — Ladies and gentlemen, for technical reasons we have to interrupt our proceedings for a quarter of an hour.

(The sitting was suspended at 4.45 p.m. and resumed at 5.05 p.m.)

Since the authors are absent, Questions Nos 155 and 156 will receive written replies.¹

I call Question No 157, by Mr Anastassopoulos (H-322/84):

Subject: The shooting-down of the South Korean airliner

The Prime Minister of Greece was recently quoted as saying that 'it is a fact' that the South Korean airliner shot down by the Soviet Union last year was on an espionage mission for the American CIA. In the light of this statement, could the Foreign Ministers state whether the findings of the inquiry by the International Civil Aviation Organization into the matter bear out this claim, whether information has emerged to alter the Foreign Ministers' position on the affair, whether they consider the suspicion that the aircraft was carrying out an espionage mission justification or even a mitigating factor for the cold-blooded shooting-down of the airliner which was tantamount to the execution of more than three hundred innocent passengers, and whether they

agree that, whatever the circumstances, the shooting-down of the aircraft merits unreserved condemnation?

Mr Barry, President-in-Office of the Foreign Ministers. — The position of the Ministers on this incident was made clear by the Foreign Minister of Greece in a statement on behalf of the Ten to the 38th session of the United Nations General Assembly on 27 September 1983. He said that the Ten deeply deplored the shooting down of the Korean airliner by a Soviet fighter, which had resulted in the loss of so many innocent lives.

Mrs Weber (S). — (DE) Madam President, could you please tell us why Question Time is still going on? I thought it had been concluded at 4.45 p.m. after one and a half hours and that we would now have the Commission statement, so that we could continue with the agenda afterwards.

President. — Mrs Weber, the sitting was suspended for fifteen minutes, so that we still have fifteen minutes available for Question Time.

Mr Anastassopoulos (PPE). — (GR) I would point out that the President-in-Office of the Foreign Ministers did not really reply to my question. May I ask him whether he is aware that the journal 'Defense Attache', which claimed that the Korean Airlines flight was an espionage mission, has been obliged to pay considerable damages and make a public apology for this accusation to the airline in question.

Mr Barry. — I am aware of the report but the Ten have not discussed it. Beyond that I cannot comment.

Mr Alavanos (COM). — (GR) My supplementary relates not only to the question by Mr Anastassopoulos but also to the preceding one by Mr Tzounis. In view of the spirit and content of those questions does the President-in-Office of the Foreign Ministers — and in that capacity, not as Foreign Minister of IRELAND — believe that the Member States involved in political cooperation have the right to conduct an independent policy, or are they obliged to model their policies on the joint positions adopted in the framework of political cooperation? More specifically, may I ask him whether IRELAND is obliged to become a member of NATO since the other nine Member States are also members of NATO?

Mr Barry. — I am not sure to which question that is a supplementary. Ireland is not a member of NATO and is not forced by the other nine members to become a member of NATO. I am here as President-in-Office

¹ See Annex *Question Time*.

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of the Council of Ministers, and I am answering questions relating to political cooperation. I can only answer in my capacity as the President-in-Office of the Foreign Ministers meeting in Political Cooperation. I cannot give my individual views or the views of any individual Member State. I must speak on behalf of the Ten.

Mrs Weber (S). — (DE) Madam President, the agenda for today says that Question Time is from 3.00 p.m. to 4.30 p.m. — that is one and a half hours. We started on Question Time at 3.15 p.m. and it lasted until 4.45 p.m. when the sitting was suspended. I make that one and a half hours. At that point Question Time should have been closed and the Commission statement given.

Would you please explain why the Commission is not giving its statement at this point, since we have a number of important items still on the agenda, and I as chairman of a committee have an interest in having them debated.

President. — Mrs Weber, the Chair is acquainted with the Rules of Procedure. I had to suspend the sitting for fifteen minutes for technical reasons, so I am continuing Question Time for a further fifteen minutes. The Bureau has had to deal with a complaint that we closed the questions to the Commission fifteen minutes too early yesterday, and that is why I decided at 3.15 p.m. to interrupt Question Time and call the President-in-Office.

I call Question No 158, by Mr Alavanos (H-330/84):

Subject: Nicaragua

The Nicaraguan leader, Daniel Ortega, has accused the USA in the UN General Assembly of mining ports and mounting air and sea operations in a new offensive against Nicaragua. The concern to which these statements give rise is accentuated by the dramatic events of some months past, when the USA launched its military invasion of Grenada. What measures have been taken against the USA apart from the San José declaration?

Mr Barry, President-in-Office of the Foreign Ministers. — The 10 Member States of the European Community have constantly expressed their conviction that the problems of Central America, including Nicaragua, cannot be solved by military means, but only by a political solution springing from the region itself and respecting the principle of non-interference and the inviolability of frontiers.

In this spirit the Ten have expressed clearly their support for the efforts of the Contadora Group. That support was reaffirmed at the San José Conference. The position of the Ten with regard to the problems of

Central America, including Nicaragua, has been expressed publicly and is consequently well known to all parties involved in the situation in Central America.

Mr Balfe (S). — Have the Ten considered the recent acts of destabilization by the United States in Nicaragua following the election, including making security conditions impossible for the collection of the coffee crop, which will, of course, promote a major crisis next year? In reply to this supplementary to Mr Alavanos's question, can I ask the President-in-Office to confirm that it will remain a priority of the Council of Ministers to put pressure on the United States Government to start respecting international frontiers in the way that he outlined in his reply?

Mr Barry. — The matter has not been discussed in political cooperation since we came back from San José at the end of September, but I can assure the Parliament that what I have said is true. Our position is that the situation in Central America, including Nicaragua, cannot be solved by military means, only by political solutions springing from the region itself and respecting the principles of non-interference and the inviolability of frontiers. That is the Ten's position.

Mr Alavanos (COM). — (GR) Despite the positive elements of the San José declaration there is concern that this Community stance in some respects resembles that of Pontius Pilate. In view of the fact that only yesterday the American Secretary of State, Mr Schultz, stated that the United States did not exclude the use of military force in their foreign policy — and he was referring to Nicaragua as well — may I ask the President-in-Office whether there is any intention to bring up these questions, to point out the probable dangers and to express our concern during Mr Schultz's visit to Western Europe.

Mr Barry. — I understood the questioner to say that the position of the Ten is not very useful. I cannot accept that at all, because I think that the position of the Ten is appreciated indeed by all the people who participated in the San José Conference. We shall continue to repeat that position.

Sir James Scott-Hopkins (ED). — I accept the position of the Ten as outlined by the Minister, but is it not a fact that the Nicaraguans have been exporting arms and ammunition in vast quantities to the other States, particularly El Salvador, and causing murder and mayhem in those countries adjoining it, and are they to be equally condemned for their actions over the last few years?

Mr Barry. — I think we have made our views quite clear on all these matters. The position is that we want

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to see peace and stability in that region, we want to see the boundaries of all countries there being respected and democracy return to every country in the region.

President. — Question Time is closed.¹

7. *End of the Commission's term of office*

President. — The next item is the statement by the Commission at the end of its term of office.

Mr Thorn, President of the Commission. — (FR) Mr President, ladies and gentlemen, on this last opportunity I shall have to speak to you, I should like to set out quite openly the main lessons I have learnt from my four years as President of the Commission.

When I stood before the first directly elected European Parliament four years ago to present the Commission's programme, I realized that, as a representative of the smallest country in the Community, I could not count on the backing of massed ranks of supporters, but I have always thought that I could make up for this shortcoming by cultivating the virtues of collegiality and objectivity all the more. I also realized — and made no bones about the fact — that we would be going through a very difficult period. As it turned out, the last few years have been worse than I had ever thought possible. On more than one occasion we have actually been in the position of wondering whether the Community would withstand the centrifugal forces unleashed by the crisis and the internal divisions which the Council's inaction had allowed to build up to the point where a European statesman of quite substantial calibre told me once that he personally had not expected the Community to survive the dual crisis.

Allow me to remind you, ladies and gentlemen, of the situation at the start of our term of office.

In 1981 hopes for world economic recovery were gradually giving way to a sense of disillusionment and anxiety in the face of the crisis and the rising level of unemployment. There are too many people in the Community who have perhaps forgotten that this trend has been going on now for three years, and that this is the first time in that period that unemployment has gone up only in Europe — not in the United States, nor in the Asian countries. And the trend will continue.

Faced with this new phase in the crisis, the Community itself was deeply divided by the budget problem raised by the United Kingdom. In 1980 — in other words, even before we took up our duties — the Council had failed to reach agreement on a lasting

solution and had played the ball back into the Commission's court by calling on the Commission, on 30 May 1980 — by the appalling device of the 'mandate' — to reexamine all the Community's common policies 'to prevent the recurrence of unacceptable situations', such as the Council had effectively acknowledged by granting the United Kingdom a 'temporary' reduction in its contribution to the Community budget.

The two crisis — the economic crisis and the institutional crisis — which the Community was thus going through when we took up our duties at the beginning of 1981 had a cumulative effect, with one crisis fuelling the other.

The deteriorating economic situation made all the national governments more sensitive to the profit-or-loss aspect of their countries' contributions to the Community budget — and to be fair, this was true not just of the UK Government. Most of the national finance ministers had ceased regarding the budget as a special case to be exempted from the general atmosphere of budgetary austerity. Too many people today still conveniently forget that, following the United Kingdom Government's request, the Government of the Federal Republic of Germany had likewise asked immediately for its contribution formula to be amended.

At the same time, it was becoming more difficult to convince Member States absorbed by their differences and a Council paralysed by indecision that tackling the crisis would more than ever need a genuine collective determination to make the Community the privileged precinct for industrial, scientific and technological redeployment and restructuring policies on the basis of genuine Community solidarity.

In the circumstances, my colleagues and I were in fact battling away on four fronts.

We decided our aim would be to preserve and consolidate the 'acquis communautaire' even at the cost of radical reforms and new initiatives with the inherent danger of a head-on collision with established positions and vested interests, such as the CAP. Quite frankly, what we have done in difficult circumstances could have been done more easily a few years earlier. Secondly, we set out to untangle the budget dispute which was gradually paralysing the Community and ruining any prospect of enlargement of the Community. And not only that — we had to do so with our backs to the wall at a time when the 1% VAT own resources had been exhausted. Thirdly, we wanted to make the future accessible to second-generation Europe, in particular by formulating new policies designed to take up the technological challenge and help towards the economic recovery of Europe. Finally, against the background of a fresh phase of enlargement and an awful economic situation, we have worked towards consolidating the specific identity of

¹ See Annex *Question Time*.

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Europe in the world *vis-à-vis* Lomé and the North-South dialogue, and in terms of our relations with the United States and Japan.

Those are — as you know, ladies and gentlemen — the main elements which have guided the Commission's activities over the past four years. Our work is described in the report which you received this morning in my name entitled 'Working for Europe'. It is neither a balance-sheet nor an exhaustive inventory; it simply charts a course and highlights advances which, of course, will have to be consolidated and taken further. More than anything else, it brings out the obstacles we have still to overcome.

Mr President, now — at the end of my term of office — is not the right time for me to be drawing conclusions for the future. That is something that I can perhaps do later. The important thing now is for Jacques Delors to say what his plans are for the future. He has been painstaking in his preparations for his term of office and, a few days ago, completed all the groundwork to enable his Commission to get off to a flying start.

All I can do today is tell you how I see the current state of the Community at the end of four difficult years.

The Commission over which I have been privileged to preside from 1981 to 1985 had ambitions for the Community which were set much higher than the results we in fact obtained. That much is common knowledge. But at least the Community managed to withstand the divisive forces acting on it. Perhaps I may be allowed to point out to the House that this is probably the first time that no one in either camp is seriously talking about the possibility of the United Kingdom leaving the Community! That is a real event worthy of note.

Despite the crisis the Community has been going through, we have managed to formulate new policies whose importance will grow with time. What we have done was only a start, but between us, we have at least made that start. We have managed to get the Community's resources increased, albeit not by enough to guarantee Community funding in the long run. It is not my fault, it is not yours, and it is not the fault of the Commission. We have made that point perfectly plain to the Council.

It seems to me, Mr President, ladies and gentlemen, that the fact that we have managed to preserve and even develop the Community both internally and externally and enter into future commitments in such difficult circumstances is not necessarily a reflection of our own merits, but of the fact that the common European endeavour was necessary and has become an irreversible process. The Community has now passed the acid test of survival in difficult circumstances, and not just at a time of economic growth.

The Community is today more than ever where the future lies. I believe that the people of Europe now realize more than they had perhaps during the years of prosperity the inherent value of what we have built together. They are perhaps more conscious now of the cost of what has been dubbed 'non-Europe' and of the risks which internal divisions pose to the autonomy of Europe and its ability to preserve our civilization in all its aspects and — more especially — to defend our liberties.

This, Mr President, remains my profound conviction, despite the realization day after day of the dragging effect of the deplorable lack of European political union and the insistence of the Member States and their administrations on their national sovereignty and prerogatives.

If I may be allowed to address a direct appeal to Members of this House, I would ask you to tell your constituents that the Member States' governments and administrations are not keeping pace with the aspirations of our people. Please tell them that.

(Applause)

The weakness of the Community decision-making procedures — inconceivable to the man in the street — has delayed and often diminished the impact of our major achievements and has been the prime cause of many setbacks.

Look at the record. It has taken four years and ten meetings of the European Council to hammer out a solution — and a provisional one at that — to the British budget problem which had been with us since 1979. It has taken us six years of negotiations — which are not over yet — to work out a basis for negotiations with Spain and Portugal, only to discover at the end of the procedure that the Council had unfortunately not given any serious thought to the repercussions of enlargement on the Mediterranean regions, that it was unaware of the Commission's proposals on the integrated Mediterranean programmes, and that it had disregarded the warnings of the country most directly concerned and its own promises in this respect.

Not only that — the paralysis of the Council has side-tracked the European Council from its self-assigned medium and long-term motor and guidance function. Instead, the Heads of State and Government have had to deal themselves with problems of stewardship — milk-quotas, alcoholic strength and the like — which are not among their specialities. Worse still, some of their political decisions, formally announced several years ago, have still not been implemented because the Council has not had the courage to dispossess the experts and the national administrations and vest in the Commission the authority to execute and administer the new policies.

It has therefore been demonstrated, Mr President, that a Community of Ten — soon to be Twelve — Mem-

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ber States cannot be and can never again be — and I speak from experience — run by consensus, and especially not a Community grappling with a host of complex problems involving powerful interests. The very concept of 'Community' would be meaningless if, whatever the circumstances — and there are certain circumstances where it would be perfectly legitimate — a minor national interest were allowed to prevail over the general interest.

We must transcend the mere letter and return to the true spirit of the Treaty. To make a general rule of unanimity is to be in favour of inter-governmental cooperation; and to be in favour of inter-governmental cooperation is — as the proponents themselves should openly admit — to be against the Community.

Strict compliance with the letter of the Treaties, essential in all instances, is no longer enough to meet the new challenges facing the Community.

Let me take just one example, as my time is running out. Ten years ago, the Council decided unanimously — as you may recall, Mr President — under Article 235 of the Treaty of Rome to launch a Community scientific and technological research programme not strictly provided for in the Treaties. Ten years on, not only the multiannual framework programme but every single regulation still has to be adopted unanimously. That is why we are getting further and further behind. Individual governments retain a right of veto on the development of the Community — a right which, although lawful, negates the spirit of the Treaty and the political objectives of European integration.

Hence my proposal, Mr President, during the celebrations to mark the 25th anniversary of the Treaty of Rome that we do for the Europe of the second generation what the Conference of Messina did for the first. We must keep up this conference idea.

This second-generation Europe, which happily did not have to go through the Second World War — but which by the same token knows nothing of the impetus the war gave all of us — this second-generation Europe must have a treaty which, while consolidating the essential aspects of the 'acquis communautaire', re-establishes the effectiveness of the decision-making process — and that is the critical point — and strengthens the democratic aspect of the Community — in other words your authority — by re-establishing a balance between the respective powers of Parliament and the Council, and which grants the Commission at long last — for my successors' sake rather than for mine — the wherewithal to act and implement the policies which we have jointly formulated.

A wide-ranging debate on these questions has been launched in the Community at Parliament's initiative.

The work taken in hand following the Fontainebleau agreement has brought out a broad consensus on the

immediate goals of European integration: the abolition of internal frontiers — everyone was in favour of that — a genuine internal market, European monetary identity, a common foreign policy, and so on. All these objectives are endorsed, give or take a few points of detail, by most of the Member States' governments.

But, Mr President, ladies and gentlemen, such objectives — and some more ambitious still — have already figured in many joint proclamations in the past, as history reminds us. What remains of the extensive programme mapped out in Paris in 1972 by the Summit Conference of the Heads of State and Government of the enlarged Community, which envisaged European Union by 1980? What of the Tindemans Report, which disappeared under a mass of funeral wreaths? What remains of the 1978 European Council decisions on moving to full autonomy for the EMS in 1981? Has the United Kingdom meanwhile become a full member of the monetary system? And does the German Bundesbank intend to accept its responsibilities?

The present consensus on the objectives for Community development will, I fear, die the same death and, as month follows month, the points of detail will — unless you take care — grow into obstacles impeding application, unless the autonomy of the Community institutions is strengthened without delay. Examination of those objectives has already been put back by six months, and it is up to you to insist on a genuine capacity to take decisions and the ability to implement them. But do not forget that there is no point in reforming the institutions unless at the same time we rediscover the determination and sense of vision of the founding fathers of the Community.

This is the last opportunity I shall have in this House of expressing my profound anxiety in the face of the ravages of what you yourselves have often seen as a purely book-keeping approach to European integration, right up to the very highest levels of policy-making.

Let us take a fresh look together at the preamble to the Treaty of Rome. None of us at that time were concerned with creating an association of sovereign states; what we were aiming for was a community of peoples and a community of destinies based on the principle of solidarity.

A Community, ladies and gentlemen, requires much more than just a common market, although it is high time that the common market was at long last fully realized.

A Community presupposes active solidarity *vis-a-vis* less favoured regions, the industries undergoing an indispensable but nonetheless painful phase of restructuring, and the worse-off, whose numbers are growing as the crisis deepens.

Mr President, the Community would be stripped of its *raison d'être* in the eyes of millions of people if this

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aspect of European integration continued to be neglected by our collective selfishness under the guise of one-way budgetary discipline.

A vision of the future, the capacity to take decisions, solidarity between the peoples of Europe — these are all, Mr President, principles which I shall never renounce, despite the objective and clear-headed view I am endeavouring to take of the Community as I see it today. Europe must decide to survive — if not, we can only assume that it accepts its decline, just as it seems to be prepared to accept its collective demographic suicide, and that of the great nations of Europe.

(Loud and sustained applause)

IN THE CHAIR: MR PFLIMLIN

President

Mrs Veil (L). — *(FR)* Mr President, I did not want to interrupt the President of the Commission during his remarkable address, but I seem to remember that there was a certain rule about the presence of cameras and photographers in the Chamber. Throughout the speech I saw a number of television cameramen and photographers walking around — far more, it seems to me, than allowed by the Rules of Procedure.

President. — Ladies and gentlemen, I should like to thank the President of the Commission for the address he has just given. Once again he has demonstrated not only his talent but also, and above all, his clear thinking and courage.

Mr President, you told us a moment ago that you were speaking in this House for the last time, but for my part I am convinced that your voice will be heard again defending the cause to which you have devoted so many years of your public life, the cause of Europe. You yourself referred to the fact that the results achieved by the Commission during your presidency and under your guidance were not always what you would have hoped. We are well aware of this.

In this Parliament everyone is convinced that, in accordance with the ideas of the authors of the Treaties, in accordance with what the founding fathers of Europe wanted to achieve, the Commission must play an essential role and that it is the motive power in the building of Europe. Neither the Members of the Commission nor its President are to blame if, over the years, attempts have been made by some people, in historical circumstances the memory of which is still with us, to weaken the role of the Commission.

I am among those who think that, given the resulting limitations on its scope for action, the Commission

has, under your presidency, done its very best. Therefore, on behalf of this Parliament, which greeted your statement with unanimous applause, I should like to pay you a tribute of respect and gratitude.

(Applause)

8. Environment

President. — The next item is the second report (Doc. 2-1149/84) drawn up by Mr Sherlock on behalf of the Committee on the Environment, Public Health and Consumer Protection on

the proposals from the Commission to the Council (Doc. 1-351/84-COM(84) 226 final), complemented by COM(84) 532 final and COM(84) 564 final, for:

I. a directive on the approximation of the laws of the Member States concerning the lead and benzene content of petrol

II. a directive amending Council Directive 70/220/EEC on the approximation of the laws of the Member States relating to measures to be taken against air pollution by gases from engines of motor vehicles.

Mr Sherlock (ED), rapporteur. — Mr President, before presenting this report — which is not truly a second report but a first, though in slightly new form — may I ask you if we may have our 15 minutes back? We have been delayed and we have moved the entire agenda back. I would like to be able to continue until 6.15 p.m. and to vote, preferably this evening.

Mrs Lentz-Cornette (PPE). — *(FR)* Mr President, we debated Mr Sherlock's report at the last part-session, and I really wonder whether there is still any point in reopening the debate on this subject. I should therefore like Mr Sherlock to explain what the present position is regarding his report and what amendments have been made to it in committee, and I should like everyone else to refrain from discussing it at greater length so that we can get on with the vote as soon as Mr Sherlock has given the explanations.

President. — Mr Lentz-Cornette, I would point out that this is a second report. Mr Sherlock naturally has the right to present the ideas it contains.

Mr Sherlock (ED), rapporteur. — Mr President, should we, by some strange circumstance, have completed the debate by 6 p.m., there is no reason why we should not start the vote at 6 p.m. I am merely suggesting that we should be allowed to go into the vote at the earliest possible moment. There is no need to

Sherlock

move the vote back even to 6.15 p.m., but allow us to have our extra time at the end if necessary, at 7.15 p.m. if we need to go on. We have lost a quarter of an hour. I want it back.

Mr Nordmann (L). — (FR) Mr President, I must confess to not having fully understood the proposal which has been made, nor to having understood the difficulties standing in the way of the debate taking place normally, whatever the considerations of time are. If we go on beyond 6 o'clock or 6.15, why not hold the vote tomorrow evening after the debate has finished?

President. — Mr Sherlock, would you like to present your report?

Mr Sherlock (ED), rapporteur. — I shall be more than brief, Mr President. The report has already been debated very largely and very widely from almost every point of view. The committee has produced its reasoned report, which I now present to you with the amendments as approved by that committee. I regret to say that once again we are faced — without a rule to regulate it — with no less than 75 amendments, though I must confess that 22 of those are amendments that have already been approved by the committee. This degree of incontinence in the submission of amendments has resulted, as you know already, in one severe delay to this project and tonight looks like putting off the vote once again until tomorrow, when I fear many may have already girded up their loins and fled the scene. We might be left with support which is less worthy than the matter of air pollution merits.

The only other comment I have to make is that, noting that the Council of Ministers has made what I think is an unprecedented observation at its meeting on 6 and 7 December on this subject, we have tabled an extra amendment in the names of the coordinators of all the political groups in the Environment Committee. When we are voting I take the opportunity to explain that amendment further.

I would like to ask all Members who are interested in getting this to the Council of Ministers for an early decision to be as brief tonight as they possibly can.

(Applause)

President. — There are about twelve Members down to speak. It is clear that if we allow this debate to continue at this rate, we shall have to hold the vote later or even postpone it until tomorrow.

I shall therefore call the draftsman of an opinion, and I would point out in advance to the House that I shall propose when the time comes that the debate be closed.

However, I can only support the wish expressed by the rapporteur by asking those who speak to be brief, since this generally makes for greater clarity.

Mr von Wogau (PPE), draftsman of the opinion of the Committee on Economic and Monetary Affairs and Industrial Policy. — (DE) Mr President, ladies and gentlemen, the Committee on Economic and Monetary Affairs and Industrial Policy has stated by a clear majority that the Commission's present draft directive is not at all suited to meeting the challenge we face. Decreeing that newly registered vehicles do not have to comply with the new emission levels until 1995 would mean that it would be the year 2005 at the earliest before all vehicles in the Community comply with emission levels which are *already* in force in Japan and the USA. Since it is an incontestable fact that car emissions damage health and that the air pollution to which they contribute causes damage to forests and buildings running into thousands of millions, the European Parliament cannot agree to such a hesitant attitude. For this reason the Committee on Economic and Monetary Affairs and Industrial Policy proposes that the emission levels in force in the USA be made binding in the European Community as early as 1986, but with exceptions being made up to 1989 in isolated and justified cases, especially for smaller vehicles. The fact that only the desired standards are laid down, and not a particular technology, means that the possibility of developing alternatives to the catalytic converter remains open. The introduction of lead-free petrol adopted by the Council for 1989 — even if it is legally invalid because the European Parliament did not express an opinion — should take place as early as 1986, if the proposal of the Committee on Economic and Monetary Affairs and Industrial Policy is followed. Although I do not think that the car industry has always gone about these matters in the best way, it is right about one thing: for technical and economic reasons many things are only possible when the policy-makers provide really clear guidelines. For this reason the Community institutions — and for obvious reasons I include Parliament in this — must come up with clear decisions here and now.

Now that the Committee on the Environment, Public Health and Consumer Protection — which originally experienced some difficulty in coming to a decision — now agrees on all major points with the view of the Committee on Economic and Monetary Affairs and Industrial Policy, we are able to withdraw our amendments, and we would therefore ask you to approve Mr Sherlock's report in its present form.

Mr Carossino (COM), draftsman of the opinion of the Committee on Transport. — (IT) Mr President, in order to speed up the proceedings I shall refrain from presenting the opinion of the Committee on Transport, which in any case is annexed to the working documents distributed to Members.

(Applause)

Mr Nord (L), draftsman of the opinion of the Committee on Energy, Research and Technology. — (NL) Mr President, ladies and gentlemen, you can read the opinion of the Committee on Energy, Research and Technology in the documents distributed. Like the previous speakers, I shall be brief and merely refer you to that opinion. All I have to say is that following its discussions a majority of the Committee on Energy, Research and Technology has decided to accept the opinion of the Committee on Economic and Monetary Affairs and Industrial Policy, and therefore also supports the amendments tabled by Mr von Wogau. So much then, Mr President, for the opinion of the Committee on Energy, Research and Technology.

On behalf of some of my fellow Group members, and in the time allocated to my Group, I would like very briefly to urge you to adopt the amendment which we have tabled. As far as Amendments Nos 23, 24 and 25 are concerned, if it is true — and I do not think that anyone here disputes this — that our main objective must be to find a Community solution and prevent unilateral action by any Member State or States, we must seek a solution which makes it possible for the Council to reach a consensus. Clearly the latest proposals from the Committee on the Environment, Public Health and Consumer Protection, which wants to introduce universally binding regulations by 1986, are unrealistic because they do not permit such a consensus. It is also clear that the Commission's original proposals for postponement up to 1995 must be rejected because they are too long-term and will not make it possible to achieve a consensus in a way which is realistic and of benefit to the environment.

For this reason, Mr President, we have tabled an amendment making the final year 1992, a date which should be acceptable to all concerned and which takes account of the needs of the environment, the needs of industry, and the technological advances which are possible between now and then. I would therefore urge Parliament to accept this solution, which I feel is the only one which will make it possible for the Council to achieve a genuine agreement.

President. — Pursuant to Rule 86(1) of the Rules of Procedure, I propose that the debate be closed.

(Parliament agreed to the proposal)

Mr Huckfield (S). — Mr President, I do not want to refer now to the subject matter of the report. I am just a little concerned about the rate at which we are currently proceeding. As I understand it, we are now moving rapidly to the vote. Is it your intention now to take the vote on all of the amendments which have not so far been withdrawn?

President. — Yes, Mr Huckfield.

Mr Huckfield (S). — If that is the case, I respectfully suggest to you that we have a very, very small attendance in the Chamber at the moment. Most of our colleagues are not expecting the vote to come at this time. Consequently any vote that is going to take place in this Chamber on these amendments ought not to be taken as a proper and accurate reflection of the true feelings of this Chamber. This is a very important subject indeed, and I suggest that we do this institution discredit by rushing through all these votes now.

President. — Parliament itself decided that the votes would be held at 6 p.m. We are therefore complying perfectly with the decisions taken by Parliament on its agenda.

Mr Sherlock (ED), rapporteur. — Mr President, I merely wish to be absolutely clear. You do intend at 6 p.m. to put my reports to the vote as well as the other matters that have already been decided and you feel that the House has fully understood the message and given its consent thereunto? I am very much in sympathy, for once, with Mr Huckfield. However, if that is the view of the House, that is the view which we must accept.

President. — I have no choice but to interpret Parliament's decision in this way, a decision which, furthermore, is in line with the previous ones.

9. Votes

Motions for resolutions on the European Council in Dublin: Amendment No 1 tabled by Mr Hänsch, on behalf of the Group of the European People's Party (Christian-Democratic Group) and Mr Prag, on behalf of the European Democratic Group, seeking to replace four motions for resolutions (Docs. 2-1228/84, 2-1229/84, 2-1232/84 and 2-1233/84) by a new text.

Explanation of vote

Mr Plaskovitis (S). — (GR) Mr President, we Greek Socialists signed the joint resolution on the Dublin Summit. However, I must stress that we have serious reservations on paragraphs 2 and 8. On the former because the Greek Socialists do not believe that the principle of unanimity can be abandoned at a time when European Union is being presented as it was at the Dublin Summit. We therefore have reservations and refuse to accept this paragraph. We have reservations on paragraph 8 because, while referring to the link between the accession of Spain and Portugal and the integrated Mediterranean programmes, it does not say anything about how they are to be funded or

Plaskovitis

about their start-up in 1985, and this should be mentioned if the paragraph is to be effective. With these reservations, the Greek Socialists approve the motion.

(Parliament adopted Amendment No 1)

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Motion for a resolution (Doc. 2-1230/84) drawn up by Mrs Piermont on behalf of the Rainbow Group to wind up the debate on the statements by the Council and the Commission on the European Council meeting on 3 and 4 December 1984.

Explanations of Vote

Mr Van der Lek (ARC). — (NL) I should just like to give a brief explanation of vote on Mrs Piermont's resolution. We requested an item-by-item vote on it since our grave concern about militarization is not reflected in the compromise text. We find it astonishing that particularly the Irish Presidency did not recognize this development and did not warn us in time. We consider it very dangerous that the 'civilian' Community should be going in this military direction. It will increase opposition between the blocs and boost the arms race. That is why we were so anxious that this resolution should be voted on item-by-item. I must just add that some Members of my group, namely the Danes and the Dutch European Free Alliance, have told me that they are not prepared to vote for the resolution as it stands, but basically we all support the thinking behind it.

Mrs Hammerich (ARC), in writing. — (DA) The Danish People's Movement against the European Community does not think that military or defence questions concern any of the Community's institutions. We consistently oppose the consideration of these questions in Parliament.

Likewise, we oppose the plans for joint arms production within the framework of an industrial policy, as most recently formulated in the interim report by the Dooge (or Spaak II) committee. The Danish Government has also expressed its reservations on this point.

We cannot support motions welcoming the revival of the Western European Union, if this means an indirect militarization of the Community.

(Parliament rejected the motion for a resolution)

Mr Muntingh (S). — (NL) Mr President, I noticed that just before the Rainbow Group's motion was put to the vote, the representatives of that group asked to speak. You did not notice them, and I find that this is

not fair. I should therefore like to ask you to look around the Chamber before putting motions to the vote and to call those who wish to speak.

President. — I think that the best way of making sure that requests to speak are not overlooked is for everyone to remain sitting.

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Motion for a resolution (Doc. 2-1234/84/REV.) drawn up by Mrs Veil on behalf of the Liberal and Democratic Group on the work of the ad hoc Committee on the Institutional Affairs of the Community: rejected.

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Motion for a resolution (Doc. 2-1231/84) drawn up by Mr Spinelli and others on the outcome of the European Council in Dublin in response to the interim report by the ad hoc Committee on Institutional Affairs.

Explanations of vote

Mrs Hammerich (ARC). — (DA) We shall vote against a motion for a resolution regretting the 'delay' in the introduction of a centralized European Union. We do not think that six months' delay is very long compared with the thousand years we have existed as a people.

We regard the next six months as extremely important for the plans for Union, because we have observed — today as well — the enormous impatience, almost desperation, that has taken hold of Union supporters. In our movement, we intend to follow developments very attentively, and we shall do everything we can to keep the Danish people and others informed. It seems that dislike for the Community is growing the more we speak about joint arms production and the plans to abolish the right of veto.

We are in no way annoyed that the Danish Government has expressed certain reservations regarding the Spaak II project. On the contrary, we think that the Danish Government should make a very clear and honest repudiation of this project, which in the long term will lead to the abolition of Danish democracy. We are voting against this motion because we support grassroots democracy.

IN THE CHAIR: MR NORD

Vice-President

Mrs Cassanmagnago Cerretti (PPE), in writing. — (IT) I would like to give my approval, and also that of

Cassanmagnago Cerretti

my Group, to the motion for a resolution on the results of the European Council in Dublin following the interim report by the *ad hoc* Committee on Institutional Affairs.

With regard to the results of the European Council held last week in Dublin, we feel it is appropriate for the European Parliament to express its deep regret that no immediate solution for the achievement of European Union resulted from the proceedings.

In fact, even though the *ad hoc* Committee on Institutional Affairs submitted an interim report, the European Council did not go into the matter in any great depth. Everything has been deferred until the final report planned for next March, and only at the Milan summit will the way be laid open for the inter-governmental conference which will have the task of drafting the Treaty of European Union.

Mr President, the majority of this Parliament feels that it is vital that all governments in the Community should attend this conference and that, above all, the plan of the European Parliament approved by a large majority at the end of a long and arduous haul, should form the basis of the proceedings.

For our part, the institutional committee and myself in particular, as a member and as a representative of the PPE, are doing and will continue to do everything in our power to inform the national parliaments and the major national political organizations of our work, with the aim of giving expression to public opinion in our proposals.

Finally, I would like to remind everyone that the six month Italian Presidency of the Council of Ministers will be beginning within less than one month, and I hope that the Italian Members, who are traditionally among those most committed to the cause of Europe, will succeed in acting positively in accordance with the wishes of this House and in giving a decisive impetus towards the achievement of the European Union.

Motion for a resolution (Doc. 1188/84) drawn up by Mrs Salisch and Mrs Dury on combating youth unemployment

Explanations of vote

Mr Brok (PPE). — (DE) Our group believes that the three documents should not be seen as alternatives but may be regarded as complementing each other. They can be logical complements to each other in many points. We must also demonstrate a certain ability to compromise so that with a large majority we can achieve progress on the question of youth unemployment. We also consider that the three documents must be regarded as interconnected. This applies particularly to paragraph 3 in the Socialist Group's motion

and paragraph 8 in the motion for a resolution by the European People's Party. Of course the Member States and the Community must provide the legal requirements for shorter working hours, but it is also necessary for them at the same time to take account of the special responsibility of the two sides of industry, freedom of choice, appropriate differentiation according to types of firm, and above all competitiveness. Taken together, these texts seem to make up a logical compromise by Parliament.

Mrs Chouraqui (RDE). — (FR) My group has tabled a motion for a resolution, and we shall vote for the two other motions for resolutions, the one by the Group of the European People's Party and the one by the Socialist Group, with the exception of paragraph 3, on which we have also requested a separate vote, since it seems to indicate that the reduction in working time can create jobs for young people and thus solve the problem. We shall request a debate on this subject, which we consider important. In fact, throughout Europe working hours have been reduced, and yet unemployment keeps on rising throughout the Community; the Commission forecasts that it will even rise to 11.5% of the working population.

We should like to take this opportunity of appealing to the new Members of the Commission to take very seriously their priority task, which is that of drawing up new proposals on jobs for those who are unemployed, and particularly those who are less than 20 years old.

The Commission must undertake to provide the necessary funds and in particular to increase the appropriations of the Social Fund. We think that all this is not enough to permit the introduction of new policies on industry, technology, energy and research which will create new jobs. Confidence must be restored in the European economy, and we must progress from a common market to a single internal market.

We shall ask the new Commission to take up the challenge positively and the Member States to hold a new meeting of the 'Super-Council' on employment.

Mrs Larive-Groenendaal (L). — (NL) My group will vote for the three motions for resolutions and is prepared, in the interests of combating youth unemployment, to overlook minor blemishes.

We hope that under the new Italian Presidency there will be a new impetus, and instead of patching things up here and there we shall see a move towards a genuine coordinated European policy with proper priorities. Our ministers just have to summon up the political courage otherwise the European Parliament will be left to fight a losing battle.

Vocational training has absolute priority for the Liberal Group, and such training should be adapted to the

Larive-Groenendaal

possibilities of the European Labour market, i.e. there must be measures to match supply and demand. Secondly, we must go along with technological innovation; I think that Mrs Salisch and her colleagues are hiding their heads in the sand if they regard this inevitable social development as a sort of devilish invention which can be banished. Thirdly, there should be ample scope for training within companies. It should be clear to everyone that for these things alone Community funds are totally inadequate, and so my group will also keep on struggling for more money for the European Social Fund. Cheap solutions now will only cost us more later.

(Parliament adopted the resolution)

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Motion for a resolution (Doc. 2-1235/84) drawn up by the Group of the European Democratic Alliance on youth unemployment: adopted.

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Motion for a resolution (Doc. 2-1236/84/rev.) drawn up by Mr Brok, Mr Giannakou, Mr van Wogau, Mrs Banotti and Mr McCartin, on behalf of the European Peoples' Party, and Mr Tuckman on youth unemployment: adopted.

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Report (Doc. 2-1104/84) drawn up by Mr Wurtz, on behalf of the Committee on Development and Cooperation, on the achievements of the ACP/EEC Joint Committee and Consultative Assembly.

Explanations of vote

Mr Verbeek (ARC). — *(NL)* In view of the way the vote has gone, it is clear that this resolution will be passed by a large majority. Parliament has thus given practical expression to its great dissatisfaction with the content of the third Lomé Convention. What has been decided in this Lomé Convention is of incredible importance for millions of people in the ACP countries. But the fact that the European Parliament is so dissatisfied with it means that it is ashamed at the way in which Europe, and especially the EEC, is now treating its former colonies, no doubt since things don't seem to be going too well at home now.

Secondly, it seems to me very unsatisfactory that what is decided under the Lomé Convention and the agreements with the countries still almost totally bypasses Parliament. The funds involved in the Convention are not in the budget which is submitted to Parliament,

and the Joint Committee and Consultative Assembly are actually bodies which are unworthy of a democracy.

Mr Christensen (ARC), in writing. — *(DA)* The motion for a resolution contains a number of commendable elements — for example the proposal to increase the funds available to the ACP countries and the reference to the growing difficulties in the North-South dialogue, including the developing countries' growing debt burden. However, there is an almost total lack of any willingness to accommodate the demand of the ACP countries for easier access to the Community for agricultural and other products. Seeing that this was a central point in the negotiations on Lomé III, this is unfortunate.

The Danish People's Movement against the European Community cannot support the motion.

Mrs Pery (S), in writing. — *(FR)* I shall vote for Mr Wurtz's report and for all the conclusions he draws. Among the ways which he outlines for promoting the development of the ACP countries, I should like to single out in particular the priority given to the problem of hunger.

It is a tragedy which moves the whole of public opinion and which, sometimes wrongly, divides Third World associations and the political authorities. I saw proof of this recently in my country at a Cidessco seminar in Bordeaux, which was attended by many delegates from the developing countries.

Food strategies must not oppose but must complement each other if they are to be fully effective in the short, medium and long term. Millions of undernourished children cannot wait for the countries concerned to become self-sufficient, which is the goal all politicians must go full out to achieve. Over the next few years food aid is bound to increase, and we must have the courage to say so.

As far as the countries of Europe are concerned, they must make a lasting effort, which must be given greater priority in future budgets, since the scale of the structural and specific measures which may be implemented could not enable the ACP countries to increase their agricultural yield sufficiently to make up, in the short term, for the 3% growth in their populations. The way food aid is given and its perverse effects must be denounced, but not the principle of food aid. Deadly bottle-feeding, the multinationals' excessive profits, the decline of food crops, and the danger of interfering with people's dietary habits are all things which we must combat and for which we must be constantly on the look-out. But they can be replaced by other policies, such as substitution projects or triangular operations.

Pery

These regular measures must be accompanied by emergency plans to combat the serious famines and terrible droughts which beset a number of African countries. And I can only take heart at the decision taken by the European Council in Dublin to grant aid of 1.2 million tonnes of wheat equivalent to Ethiopia and the Sahel in accordance with the European Parliament's request.

(Parliament adopted the resolution)¹

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Second report (Doc. 2/1149/84) drawn up by Mr Sherlock on behalf of the Committee on the Environment, Public Health and Consumer Protection on the proposals from the Commission to the Council (Doc. 1-351/84-COM(84) 226 final, complemented by COM(84) 532 final and COM(84) 564 final) for

I. a directive on the approximation of the laws of the Member States concerning the lead and benzene content of petrol

II. a directive amending Council Directive 70/220/EEC on the approximation of the laws of the Member States relating to measures to be taken against air pollution by gases from engines of motor vehicles.

Mr Huckfield (S). — Mr President, I seek to raise a genuine point of order with which I am sure you will sympathize. In searching for the documents — because, obviously, many of us like to come into this Chamber well prepared — I find, on trying to get copies of all the documents, that COM(84) 226/final has two additions in German which are not available in any other language. If these are merely amendments to the translation, then that is something I would understand. I would like some assurance from you on that point, because it does seem to us very unusual indeed that those amendments are not available in any other languages.

The other point I seek to raise with you is that when we had a discussion and a vote on these issues during the last part-session, we were actually given an assurance from the Chair that we should be having another debate on these issues during this part-session. Not all of us are told how we are to vote by our groups. We like to make up our minds by actually listening to and being guided by the debate.

(Mixed reactions)

We are therefore, as I understand it, being asked to cast our votes on no less than 75 amendments on issues which are of very great importance, which affect

many of our constituencies very closely, without having any debate at all, apart from the miniature peripheral debate we had during the last part-session. If we are not going to have that debate, then I must repeat to you, Mr President, that many of us take the view that any votes which are taken on these amendments tonight are in no way to be construed as an accurate and true representation of the feelings of this Assembly.

President. — Mr Huckfield, I must remind you that this House, just about an hour ago, debated the second report and decided to take a vote tonight, and that is what we are now doing.

(Applause — Protest by Mr Huckfield)

Mr Huckfield, you have made your point of order and I have answered it. On the first point you made, I have asked to be informed, and I have just obtained the reply that all texts and all amendments have been translated and circulated in all the languages of this House. I do not really think it will be useful to have a debate on that right now.

Mr Huckfield (S). — I raise this on an absolutely genuine point of order

(Laughter)

with-which I am sure you must sympathize, Mr President, being a great internationalist. Most of this morning and this afternoon, with the help of some very cooperative staff in the documentation section of this building, we searched diligently on three floors of this building to try to obtain copies of the amendments in other languages.

We were told, Mr President, that the only language in which document COM(84) 226/final and the two other amendments after that were available was German. Those amendments could not be produced in any other language. I submit therefore, Mr President, that we are ill-equipped to proceed with these votes at this moment until those translations are produced.

President. — Mr Huckfield, I am very sorry for all the trouble you have been caused. My apologies for that. I am assured once more that all texts have been circulated in all the languages. I do not think this is the place to decide whether or not that has been the case. If you want to take it up further, you can do so after the sitting is over.

We are now going to start voting, but before we vote I have to give the floor to Commissioner Narjes, who, according to our Rules, has the right to speak on behalf of the Commission, and the Commission has not yet had a chance to express itself on the second Sherlock report.

¹ The rapporteur was:
— AGAINST all the amendments.

Mr Narjes, Member of the Commission. — (DE) The Commission shares Parliament's view that this report should be voted on as soon as possible, and that is why I have refrained from speaking.

I shall therefore confine myself to four points connected with the amendments.

Firstly, I would point out that in the initial debate on the Sherlock report the Commission already indicated its willingness to compromise, particularly regarding the shortening of the time limits for the measures in question.

Secondly, the Commission's sole objective at the moment is to obtain a consensus as quickly as possible so that environmental damage is not increased by delays in decision-making.

Thirdly, the Commission is able to accept the basic thinking behind the majority of amendments.

Fourthly, there is only one point on which there are differences of opinion. They concern a few technical time limits, because the Commission drew up its schedule differently from the way in which Parliament did in the Sherlock report.

We have already established in tough discussions that the approach advocated by Parliament to achieve a solution is hardly likely to achieve a consensus.

Mr Romualdi (DR). — (IT) The agenda provided for the sitting to be suspended at 7 p.m. so that we could begin the night sitting at 9 p.m. I do not think that in thirty seconds we can vote on 75 amendments, and so I ask that the House keep to the timetable provided for in the agenda.

President. — It is correct that today's agenda states that the sitting is to be suspended at 7 p.m. and resumed at 9 p.m., and that voting should take place between 6 and 7 p.m. It is also correct that all day we have been behind with the agenda, and lastly, it is correct that Parliament decided about an hour ago to vote on the Sherlock report this evening. As often happens when things drag on, Parliament decided things which were in contradiction to each other. To put everyone's mind at rest and to avoid any misunderstandings as to what Parliament now wants to happen, I shall ask the House once again who is in favour of voting immediately on the Sherlock report.

(Parliament decided to vote on the Sherlock report)

Mr Hindley (S). — Mr President, I do not wish to be discourteous, but I am absolutely certain that for at least a couple of moments your aides on either side of you have been informing you that I had a legitimate

point of order. I would appreciate it if points of order were called.

The point of order is that you are, I think, misleading the House somewhat when you say that at 6 p.m. — I was present at that time, when there was only a very small attendance in this Chamber — that there was a debate on the Sherlock report. There was not a debate on the Sherlock report.

(Protests)

If people disagree, let them stand up on a point of order themselves! There was not a debate on the substance of the Sherlock report. If Mr Sherlock is an honourable man I am sure he will substantiate what I am saying. The House is now much fuller, rightly so, because we are going to vote, but I think in all fairness and in due respect to the truth, you should inform the House that there was not, as you have indicated, a debate on the substance of the Sherlock report at 6 p.m.

President. — Mr Hindley, I take exception to your remark that I misled the House.

(Applause)

The truth of the matter is that this item was on the agenda for this afternoon: it was discussed very briefly, that is true. The attendance was not very large, that is true also, but I suggest that was the result of Members choosing not to be present at that particular moment. The House then decided to have a very brief debate in order to be able to vote tonight.

That is the truth of the matter. That is what happened. I will not allow any other interpretation of the facts.

We shall now proceed to vote on this report.

Proposal for a directive II

Article 3 — After the rejection of the first part of Amendment No 51

Mrs Squarcialupi (COM). — (IT) When you say that we must vote on the 'four lines in the middle', I should at least like to know, since there are several language versions, which text is being referred to in the item-by-item vote which we requested. Perhaps it would be better for you to read out each time the text on which we are to vote.

President. — Mrs Squarcialupi, I have before me the text as tabled by the Communist and Allies Group, with request for an item-by-item vote. It is very clearly indicated — and the text is in French — that there should be a vote on the first part of Amendment No 51, as I read out to the House, as far as the words

President

Applicants must submit evidence . . . That is precisely what I proposed to Parliament and that is what Parliament voted on.

Mr Gautier (S). — (DE) Mr President, I think we could proceed more simply. The first part is the same in both amendments, so there is no point in voting separately — once for and once against — on both amendments. We should vote on the first paragraph, which is the same, and then on the rest.

Secondly, I should like to point out that an amendment must be made to the text, namely that in the first paragraph it should read *1 October 1986* in accordance with the vote already taken.

President. — Mr Gautier, I appreciate your argument, but I think that, if we get requests for item-by-item votes from all 276 of us and if we decide to make even more amendments in the sitting, nobody will know what he is voting about. And even if you are right, which I do not deny — I cannot judge since I first set eyes on these documents hardly five minutes ago — I still think that it is better for us to keep to a certain voting discipline. Otherwise I shall not know either what I have to propose to you. Please do as I suggest, even if I get it wrong, in which case you can reproach me for it later. I shall be quite happy to accept reproaches afterwards.

Mr Gautier (S). — Mr President, Parliament must act logically! You cannot vote on the second part only. The second part states *how* exemptions may be applied for and the first part states *that* exemptions may be applied for. But since the first part of this amendment was not adopted, although the wording is the same in both amendments, we cannot vote on exemptions either.

President. — I want to ask the rapporteur a question. The Assembly has just turned down the first part of this Amendment No 51. Does the rapporteur feel that that means that it would be pointless to vote on the second part? I should like the rapporteur to enlighten the Assembly on this.

Mr Sherlock (ED), rapporteur. — I think this request for a division has put us in a very considerable difficulty. It would be very hard to make the split at that point. Perhaps we could have avoided any danger by working in the original language, which for the Vittinghoff and Schmid amendment was, of course, the German text.

By rejecting the first paragraph of Amendment No 51, we have also rejected the first paragraph of the committee's amendment.

(Cries of 'No!')

I would suggest that the original suggestion of your secretariat that we should vote on 14 is an infinitely better way of proceeding.

President. — Thank you very much, Mr Sherlock. I would ask you, if a proposal to have a vote by division seems to you to be unhelpful, to say so before we proceed to the vote by division, because then we can avoid this kind of mistake.

Mr Sherlock (ED), rapporteur. — The opportunity, Mr President, would have been welcome.

President. — I did ask you for your advice, as you may remember.

The rapporteur has not yet given a clear reply to the question as to what should now become of the second part of Amendment No 51. On reading the text I get the impression that Mr Gautier was right in saying that there is no point in voting on it and that we ought to vote on Amendment No 14 by the Committee on the Environment, which will be a way of sorting out this rather awkward situation. So I should now like to put Amendment No 14 to the vote, since this will solve a number of complications.

*Motion for a resolution**Initial sentence — Amendment No 66*

Mrs Weber (S), rapporteur for the Committee on the Environment, Public Health and Consumer Protection. — (DE) Mr President, I should like to point out that Amendment No 66 should be taken together with No 67 and No 68. In a press release during its meeting last week, the Council of Ministers stressed that it had already reached an agreement and was merely waiting for the formal vote by Parliament without making any allowance for possibly having to change its opinion. This amendment presses for consultation between the Council and Parliament so that a joint position may be arrived at, since the Council's position of last week differs substantially from what we have decided today.

President. — Mrs Weber, thank you for your statement, but I must ask you not to reopen a debate during the votes. We have to vote on all these amendments, and when any have to be taken together, it is a matter of particular interest, but once voting has been begun, we cannot give any further explanations, since this would mean reopening the debate.

Mr Huckfield (S). — Mr President, I want respectfully to ask you how Mr Sherlock can recommend that we vote against this amendment when it is actually an amendment which carries his name.

Mr Sherlock (ED), rapporteur. — Mr President, that is a very relevant observation. I was in error doing so. I was merely misled by the fact that it came through as an amendment to the title. It is, of course, the first paragraph of the motion for a resolution, which I would not have called title. I do apologize to you and to the House.

President. — Not only you, Mr Sherlock, were in error. The President was in error as well because my paper says that it concerned the title. It now turns out not to do so. To err is human, therefore we proceed with the vote.

After the adoption of paragraph 34

Mr Sherlock (ED), rapporteur. — Mr President, in view of the fact that yet further alterations have occurred in dates, may I ask if the Commission is willing to accept this? I would remind the House that it is imposed upon the rapporteur as a duty by Rule 36(2).

(Interruption)

Cease your ribaldry; you will learn one day!

Mr Narjes, Member of the Commission. — *(DE)* Mr President, the Commission is not able to go any further than what I stated at the outset. The results of the vote must be examined individually and sifted through to see if there are any contradictions.

Mr Sherlock (ED), rapporteur. — I must say that, for a report on the Commission's attitude, that is the most unconvincing it has ever been my misfortune to hear. However, in view of the fact that the amendments that have been put forward by the coordinators do, to some extent, prevent the necessity to use Rule 36(2), I shall rest my position on Rule 38 and not advise the House to cease voting at this point, as Rule 36(2) might have required.

Explanation of vote

Mr Collins (S). — Normally I do not use the opportunity to give an explanation of vote, but I think tonight it is essential, because this House has been debating the question of lead in petrol and car exhaust emission controls for some considerable time. I think it would be wrong if we allowed tonight to pass without paying tribute to one or two of the people who have contributed to this in the past. I want to make it clear that the Socialist Group will vote for this motion for a resolution, and it will do so with enthusiasm because this motion owes its origin to a resolution originally tabled by my good friend Mr Seefeld and myself some three years ago and also to a later resolution tabled by

Mr Stanley Johnson, who now works for the Commission. It owes its presence on the agenda tonight to the sterling work done by the European Environmental Bureau and by the European Consumers' Organization, and I should like to pay tribute to them.

The motion for a resolution originates from alarm and concern about acid rain. It originates from alarm and concern about the health of children in the European Community. I cannot understand why anyone should want to vote against that part of the resolution and of the proposals which relate to lead in petrol. To vote against these is to vote in favour of brain damage for 8-year-old children, and I cannot understand why anybody should want to do that.

(Applause)

Acid rain is a multi-source problem. It originates in a variety of ways, in a variety of places. Car exhausts are one source, and I believe that we are tackling that tonight. My own government in the United Kingdom has a deplorable record on air pollution generally, because by and large environmental policy in the United Kingdom is run not by environmental people or people who understand anything at all about ecology but by the Treasury. There will be a resolution appearing on the register under Rule 49 marking the departure of the European Democrats on this point. At least they have had the guts to stand up against their own government on the point.

As far as the Socialist Group is concerned, we are voting in favour of this because we believe that, instead of merely trailing pathetically behind recalcitrant, reluctant short-term business interests which have sometimes put fear into the hearts of trade unionists and workers, we must give a lead. I think this resolution tonight is giving a lead. We have fought hard to get it on the agenda. We have fought hard to get it this far, and we are looking forward to the conciliation process with the Commission and the Council in order to make sure that our standards are adhered to and that our timetable is adhered to as well.

IN THE CHAIR: MRS CASSANMAGNAGO
CERRETTI

Vice-President

Mrs Caroline Jackson (ED). — I should like to explain the position of the European Democratic Group to those who are still listening. We shall abstain on this issue. We are very much in favour of the original Commission proposal. We regard the amendments that have been adopted as completely unrealistic. In order that the proposal may be adopted as rapidly as possible, we would like to stick with the ori-

Jackson

ginal Commission proposal. I therefore thank the members of my group who have stayed behind. Please stay and abstain!

(Laughter)

Mr Jepsen (ED). — *(DA)* We know that we contribute to air pollution each and every day with our motor vehicles, and we need to use all possible means to curb the destruction of our woods and waterways, our soil and our buildings. We must apply all the technology and science at our disposal, but in addition we need a political decision to implement the introduction of lead-free petrol as quickly as possible. I am aware that the oil and petrol industry will incur difficulties and expense if it is to comply with these new requirements, and I know that the car industry will have to accelerate the development of products and the modification of production plant, but nevertheless we Danish Conservatives believe that this is a vital step to which we should all contribute.

Here is a case, ladies and gentlemen, where European cooperation will show what it is worth. For unless all European countries introduce petrol pumps with lead-free petrol, people will have no great faith in driving cars that run only on this type of fuel. It would then be impossible to cross borders, and what is to become of this great European ideal of free movement? Nor can we accept that our competitors in Japan and the USA can produce vehicles that are much less damaging to the environment than those manufactured in Europe. We cannot resolve our problems or achieve the required effect by introducing makeshift solutions such as speed limits, so we must work to the schedule proposed by the Committee on the Environment. We must implement these proposals rapidly, effectively and jointly, so that we do not impede mobility in Europe but encourage progress in the right direction.

IN THE CHAIR: MR NORD

Vice-President

Mr Vernier (RDE). — *(FR)* I should just like to say on behalf of most members of the Group of the European Democratic Alliance that we shall unfortunately be voting against the Sherlock report and the motion for a resolution it contains, since we fully agree with the time limits initially fixed by the Commission for reducing the lead content of petrol and of air pollution by gases from vehicle engines. The motion for a resolution proposes much shorter time limits, which both the refining industry and the motor industry are, in our view, incapable of meeting.

Furthermore, this resolution means that we would have to venture into the realms of new vehicle technol-

ogy involving catalytic convertors, which are both very costly, particularly for cars of small cubic capacity, and extremely unreliable in operation, as proved by the American environmental protection agency. We would have preferred to see the Community, before reducing the time limits so much, grant considerable funds for the scientific study of the actual contribution of vehicle exhaust gases to environmental pollution, in particular acid rain, and grant funds for the technological study of all the existing possibilities open to the motor industry — possibly other than catalytic convertors — of achieving a reduction in exhaust gases.

Mr Roelants du Vivier (ARC). — *(FR)* I should once again like to speak on behalf of a large number of Members from my group who regret that the amendments on speed limits have not been dealt with as the Committee on the Environment, Public Health and Consumer Protection had proposed.

I should simply like to point out that at 150 km per hour a vehicle produces 8 grammes of nitrogen oxide per kilometre, while at 75 km per hour it only produces 2 grammes. So it is regrettable that this approach was not adopted.

Nevertheless, since this is a great step forward, we shall vote for the motion for a resolution and should like to stress that the Commission's attitude towards this motion has been very disappointing, not to say anti-democratic.

Mr Huckfield (S). — On behalf of my constituents and on behalf of my union — the Transport and General Workers Union — I wish to explain that I shall be voting against this proposal because I do not believe that representatives of the more prosperous areas in this Community and in their own Member States have any right to threaten jobs in the constituency which I represent. We already have a situation in the United Kingdom where we cannot depend on the government to defend the car industry or to defend jobs in that industry. This resolution, if adopted, will make it even more certain that the jobs of my constituents and our car industry will be placed even more in the hands of the multinationals and the Japanese. We cannot count on British Leyland being able to undertake the investment which will be necessary to comply with this resolution, because the government will not be prepared to back that investment.

We are also very much concerned — and I have a right to put my point of view as well — that Member States, particularly Germany, will be quite content to use legislation like this as a non-tariff barrier against the import of British and other cars into Germany.

(Protests)

In short, I am not prepared to stand by while the jobs of the people that I represent are sacrificed on the altar of a domestic German political argument.

Mr Pearce (ED). — I also will vote against this resolution, and I urge my group colleagues to do so as well. I am not against the idea of clean air and good environmental management, but to do it in this cheap way, rushing at it, makes nonsense and is a disgrace to this House.

I recall the attitude of some of our German colleagues voting in the committee on this. They voted for lead-free petrol, they voted for catalysts and they voted against speed limits on their motor ways. That is the purest hypocrisy, and it is a disgrace. It is clear that Green seems to be the signal for danger and for nonsense, and it is about time that was recognized. I would also point out that a number of our Socialist colleagues — some of them of British nationality, though not Mr Huckfield on this one occasion — have voted against jobs in Britain. They have voted for extra imports of Japanese cars, and I hope their constituents know what has been said. The next time they go on about unemployment I will say: 'You are to blame'.

I support what the Commission is trying to do. I broadly support what the Council working-party has done, which is much the same thing. I urge that in further considerations common sense, practical conditions and good financial understanding should be the order of the day. Please vote against this!

(Applause from the European Democratic Group)

Mrs Flesch (L). — *(FR)* Mr President, we consider that something must be done in this field and an effort made to bring the laws of the various Member States closer together. We are very much in favour of a Community solution, since we must avoid upsetting the market. We must also have binding dates so as to avoid interminable delays. But such dates must be realistic.

To sum up, we are in favour of the resolution as a whole, but we consider that in some cases the dates are not realistic. This explains the reluctance, and even the opposition, of some of my colleagues.

Mr Alber (PPE), in writing. — *(DE)* The majority of the Group of the European People's Party will vote for the Sherlock report.

It is possible to reduce vehicle exhaust gases by about 90%. These lower values have been achieved in the USA for more than ten years. So from the outset we failed to understand why the Commission does not want to introduce these values for Europe until 1 October 1995, and even then only for new vehicles. Adopting a conventional technology would take longer than it took to get to the moon, including preparation and planning.

Neither do we subscribe to the argument that it has not been proved that exhaust gases are the cause of the

widespread damage to forests. Those who are demanding lengthy research on the subject will only find out why the forests *have* died. It would be a post mortem, not a rescue.

We are pleased that the Committee on the Environment, Public Health and Consumer Protection proposes to bring forward the application of the values to 1 October 1986, with the possibility of derogations until 1989. At the beginning it looked as if they might not. So we are pleased at this return to common sense, just as in the Bible the father was glad at the return of the prodigal son.

A minority of Members in our group will not vote for the report because they consider that other technical solutions are preferable to the catalytic convertor, and we respect this point of view. But unfortunately such alternatives are not yet ready for mass production. They must also be measured in relation to American figures.

As I mentioned before, a large majority of us will vote for the report. We hope that the European Parliament's common sense will be passed on quickly and undiluted to the Council. The Commission has also shown signs of coming round to our view. So you can see how even talking about clean air can help to produce clarity of thought.

Mr Christensen (ARC), in writing. — *(DA)* When Denmark joined the EEC, it was promised that laying down environmental protection standards would be a national responsibility. The proposed directive on lead in petrol is evidence that the Member States are not allowed to determine their environmental policy themselves. We find it reprehensible that West Germany and Denmark are being prevented by the EEC from implementing legislation on lead-free petrol. Even if we recognize that shortening the deadlines proposed by the Commission for the introduction of lead-free petrol means progress from the environmental point of view, we still cannot support this motion.

Mr Galland (L), in writing. — *(FR)* The European Commission did a good job, and its draft directive took account of realities.

The European Parliament, in the Sherlock report, does not demonstrate the same sense of responsibility. Ecological demagogy has triumphed over any consideration of the serious problems with which the European motor industry is bound to be faced.

Either it will prove impossible to implement the provisions adopted by the European Parliament and to apply the time limits it lays down, which will bring discredit on this House, or our motor industry will be handicapped, which will mean that we will have failed to do the job properly.

Mrs Squarcialupi (COM), *in writing*. — (IT) On behalf of the Communist and Allies Group I can say that we will be voting in favour of this motion for a resolution in the knowledge that we have done everything possible to improve it, to ensure that the proposals can be implemented on a European scale, to provide a badly needed cure for the environment and not simply an anesthetic to numb public opinion. Above all, we know that we have done everything to ensure that these two important directives can be implemented, and to give them a social content, but unfortunately this aspect has been rejected by those political circles who, more than any others, should have supported it. It is not possible in fact to equate large and small polluters. The other directives approved by this Parliament on environmental pollution made this distinction and were directed, in particular, at those large plants and power stations which really cause pollution and acid rain. Thus, Parliament's policy of treating large and small engines and large and small polluters in the same manner is a mistake. We are saying this not only in defence of national production interests, but also in defence of those who are now paying most dearly for the crisis, I mean the ordinary people, the less well off, the workers, those for whom a car is a necessity and yet can only be obtained by the sweat of their brow. At the same time we are pleased that this motion confirms the need for a decision at European level in order to ensure that the just fight for the environment does not become an unjust trade war. In fact this danger is inherent in the second directive on pollutant wastes, but unfortunately many people in Parliament seemed to have been unaware then of this. We are pleased, however, that there is a willingness to go even further that the catalytic convertor, in other words to improve on obtaining obligatory results by means of a technology which runs the risk of halting progress and creating distortions in competition. Let us not forget then that the technology chosen will increase petrol consumption, in contrast to the policy for greater savings in energy which we have always supported. There is one thing which we regret, and that is that we did not finally contribute to really solving the problem of noxious emissions from vehicles, in order to prevent the Council from having a completely free hand. Unfortunately, the Council will insist on deciding on the basis of instructions from its experts. The aims put forward by Parliament, absolute and inflexible as they are, obviously reflect just one national and economic situation, and although they may help to silence public opinion they will not save the environment. In spite of this it was a battle we had to fight. It was an important battle which should mobilize the decision-makers. It was our duty to fight this battle. Certainly, we could have done better by debating at greater length and more peaceably, and thus it was not possible to clarify certain social and economic situations which, since they are there, are worthy of our attention.

(Parliament adopted the resolution)¹

Mr Huckfield (S). — Mr President, I want to make a perfectly valid point of order. My machine was not working.

(Laughter)

It is probably a German machine!

(Laughter)

Mr President, I voted against on that occasion, and I wish that to be recorded.

President. — Mr Huckfield, it will be recorded. I must remind you, though, that it is not for you to judge whether your point of order is valid or not.

(The sitting was suspended at 8.25 p.m. and resumed at 9.30 p.m.)

IN THE CHAIR: MR GRIFFITHS

Vice-President

10. Budget for 1985 (contd)

President. — The next item is the continuation of the budget debate.²

Mrs Hoff (S). — (DE) Mr President, ladies and gentlemen, the Socialist Group rejects the 1985 budget. During the budget consultations the Council of Ministers acted as if it was deaf, dumb and blind. It is extremely unfortunate for the Community that this body has so much more power than the European Parliament — power which is used to push through national interests but not to strengthen the Community.

Rejection of the budget is not a muscle-flexing exercise by Parliament. It is simply an attempt to force necessary decisions. We want to prevent further financial problems from mounting up and being insoluble in

¹ The rapporteur was
— IN FAVOUR OF Amendments Nos 1 to 16, 38, 67 and 68;
— AGAINST Amendments Nos 17, 26 to 35, 44, 48, 49, 51, 52, and 63 to 66.

² See debates of 11 December 1984.

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the final analyses. That is why we need a new draft budget straightaway.

We condemn two things in particular. First, the draft violates the basic principle of a sound financial policy. Income and expenditure only cover ten months, not twelve. Secondly, this truncated budget is marked by what one might almost call a perverse disequilibrium. It does not meet the needs of the European people. It contains no basis for reforming Community policy. The present draft budget undermines our political aims.

There are three demands which are important for us in this connection. First, more funds must be made available for the social and employment policy sector. The Community's 13 million jobless take priority over production of agricultural surpluses. Secondly, we must do more to combat world hunger, and thirdly we must stop wasting money on destroying agricultural surpluses.

(Applause)

And there is another point which should be mentioned for budgetary reasons: we must insist that the repayments to the United Kingdom, which are again necessary because of the budget's agricultural bias, be included in budgetary expenditure. Only by doing this can we ensure that none of the Community's own resources escape Parliament's control or are smuggled past without appearing in the budget. Parliament must make sure that its budget rights are not reduced or violated.

In conclusion, I would like to comment on the declaration by Mr Barry, the President of the Council. He gave the impression that rejection of the budget would impede continuation of important Community policies. Of course, Mr Barry, the twelfths system will be a provisional one if we reject the budget. This arrangement is not meant, however, to bridge the gap for 12 months. Although during the period the twelfths system is in operation we cannot tackle any new programmes, the draft submitted by the Council does not allow for this either. Thus, we need a new draft budget for 1985 immediately.

Mr Bernard-Reymond (PPE). — *(FR)* Mr President, the wide-ranging convergence of views which has emerged during this debate on rejection of the budget, and the almost intimate character of tonight's sitting, make it possible for me to be extremely brief.

I would like to say how much I agree with the great majority of this Parliament in considering that it is quite unacceptable — for reasons of principle and also in the interests of proper administration of policies — to submit a budget which does not cover the whole financial year.

The most distinguished Council of Ministers has decided to do something which the smallest association of bowls players or of postcard collectors would never dare — to present a budget which does not run to the end of the year. I believe this is dramatic proof of its incapacity, and also of a cavalier attitude, *vis-à-vis* not only Parliament but also every European citizen. Thus, if only for reasons of dignity, it is our duty to reject this budget.

Consequently, I approve the very clear position of the Committee on Budgets, just as I approve its decision not to invoke the conciliation procedure, which would only add to the confusion. As a result, it seems to me that our Committee on Budgets has taken an extremely clear position on this matter, an extremely reasonable position, which I totally approve.

But this is not the only reason for our opposition to this budget. I believe that Parliament also has a duty to issue a new warning to the Council, to the Heads of State and Government, so that they at long last take seriously the general problem of European organization. Because the presentation of a clearly inadequate supplementary budget for 1984, the presentation of a truncated 1985 budget — to which should be added the preparation of budgetary discipline for 1986 — merely reflect, or symbolize, a more basic incapacity to resolve the problems and overcome the difficulties we now face.

Indeed, in all this it seems as if the Council, while talking about a new political impetus, is actually conceiving that the Community method of European construction devised for six countries in 1957 will no longer work in 1985 with 12 countries. It seems as if the Council has resigned itself to this idea of a slow dilution of the Community in a larger Europe with weaker ties.

Well, if one thinks that a different Europe should arise from the present difficulties, then one should say so and have the courage to lay very clearly, as of now, the foundations for this other Europe, for this new Europe, rather than mess about with an apology for a budget and fabricate political revivals out of facades!

All these reasons lead me, Mr President, to reject the budget presented to us today.

(Applause)

Mr Fich (S), rapporteur. — *(DA)* Mr President, I shall be very brief: firstly, I would like to say that yesterday the President-in-Office, Mr O'Keefe, spelt out the consequences of the provisional twelfths system. Clearly, one can argue at length what the consequences of such a system are. I would like to recall just one fact: it is the Council itself which decides what the consequences are. If the Council wishes to minimize the negative consequences, it has every opportunity to

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make transfers, introduce extraordinary twelfths and anything that is needed. It is up to the Council to decide how great the consequences of a provisional twelfths system will be. There is therefore no objective truth in what Mr O'Keeffe said yesterday, only a subjective view. The objective aspect is what the Council itself decides what is to happen with the provisional twelfths system. I expect that, if the Council so desires, a qualified majority in the Council can naturally resolve any problems that arise. Of course, I have my doubts as to whether such a qualified majority can be found in the Council, but if it wishes to do so, it is up to the Council itself to avoid problems.

My second comment is directed at Mrs Tove Nielsen, who unfortunately is not present and with whom I shall therefore not engage in polemics. But Mrs Tove Nielsen — I refer to her speech — attacked me yesterday for being completely out of line with the views of my party in Denmark. In the first place, I would like to remind her that there may be a difference between what a rapporteur says, since the rapporteur naturally represents the Committee as a whole, and what an individual person thinks. I have tried to remain completely faithful to what was decided in the Committee on Budgets, but of course I would not like this to be thought of as wholly my own personal opinion. However, my task as rapporteur to present the Committee's opinion and not my own. Let me add, furthermore, that this has not normally been difficult, in that the clear goal of both the Committee and myself is that there should be a budget for 1985, for the whole of 1985 however, and not just part of the year. I can moreover assure everyone that the position I will adopt in the vote tomorrow is in strict agreement with the position of my party at home, whereas — this should not be understood in polemical terms, nor with reference to her speech — Mrs Tove Nielsen will tomorrow be voting differently from her party colleagues at home in the Ministry of Foreign Affairs and elsewhere.

Let me say finally that, during these very hours, we had anticipated conciliation talks between the Council and Parliament's delegation with a view to achieving a compromise. These were to have taken place right now — or perhaps a couple of hours later — I do not know. Unfortunately, we are not where we ought to be, and I can only express my great regret, I would like to emphasize however, that I consider that the fault lies exclusively with the Council, or more precisely a blocking minority on the Council. Tomorrow's consequences for the Council are, I believe, the result of its cancellation of this evening's meeting.

Mr O'Keeffe, President-in-Office of the Council. — Mr President, with permission I should like to speak again briefly as this debate closes. My I first thank those who have been so generous in their praise for the Irish Presidency. As the debate has proceeded, I have heard a good deal about the rights and duties of Parliament

and its Members. I have heard of the need for the Community to fulfil all its obligations and to rise to all its ambitions. I agree with all these sentiments. In all our countries there are eminently desirable things for governments to do, and in all our countries governments are obliged to defer or abandon them because the necessary revenue is simply not available. In the particular case we are concerned with, however, we are not talking of deferral or abandonment. The Council has very clearly committed itself to meeting the additional budgetary requirements which will arise in 1985.

Yesterday I spelt out the Council's approach in this matter, and I do not propose to go over the ground again. I believe that the Council with the clear undertaking it has given, which now appears in the draft budget, has met in substance Parliament's concern that necessary policy expenditure should be appropriately funded. Attempts have been made in this House to show that the system of provisional twelfths might not be just neutral in effect but would be to the immediate advantage of various policy sectors. The only thing that this type of reasoning shows is that you can use statistics to prove anything you want them to.

I believe that if this House rejects the draft budget our farmers will suffer, our unemployed will suffer and those starving in the world will suffer. I also believe that rejection will cause the Community to suffer as a Community. The decision is with this House.

Mr Cot (S), Chairman of the Committee on Budgets. — (FR) Mr President, I would like to begin by reiterating my recognition of the Irish Presidency's great efforts over the past months with a view to achieving a proper solution to the problem we face tonight.

I can vouch for the amount of time Mr O'Keeffe has spent on trying to reach an agreement. I believe that that would not have been difficult with us. Unfortunately, he had to persuade his colleagues, and I have to note that hardly any progress has been made in that respect.

Mr President, it is not my custom to misuse speaking time, and this is the first time I have intervened twice in a debate. However, I feel obliged to put the record straight following the remarks made by the Council Presidency yesterday on the provisional twelfths system, remarks which the President has just this minute repeated with passion and vigour. I have to note here that what we are witnessing is either an unnecessary dramatization, or a disturbing demonstration of bad will, not on the part of the Irish Government, with which I have no quarrel whatsoever on this matter, but on the part of the Council as a whole.

Mr President, the provisional twelfths are indeed, as their name indicates, a provisional system designed to allow the Community to fulfil its existing obligations

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pending adoption of the budget. They are, by definition, of a temporary nature. Now the Council Presidency argues that these twelfths were designed to cover twelve months, and this is wrong. The envisaged system, that of the twelfths, is — in the final analyses — what one wishes to make of it. It can be applied in a restrictive manner and make the Community unworkable — this is true. On the other hand, it can be applied in a positive manner in order to limit the inevitable difficulties of the situation, which I do not wish to underestimate. It is a question of political will.

It should be recalled that the responsibility for implementing the provisional twelfths is basically the Council's. It is the Council alone which in the case of compulsory expenditure — or with Parliament's agreement as regards non-compulsory expenditure — decides to unfreeze the additional twelfths in accordance with Article 204(2), in order to meet the Community's obligations. Given this background, I have to say that the figures put forward by the Council Presidency indicate an irresponsible attitude on the part of a Council determined to block the system. I refuse to accept this false premise, which would make the system regressive from a budgetary point of view, something it was not intended to be.

Mr President, allow me the following reflection at this juncture. It could be argued that a contradiction exists between advocating rejection of the budget and thus implementation of the provisional twelfths system on the one hand, and proposing, on the other, flexible application of the provisional twelfths system in order to minimize the harmful effects. I see no contradiction here. Parliament — and I stress this — has no fundamental quarrel with the Council as regards the policy priorities laid down in the draft budget. It is opposed, however, to the Council's inherent inability to submit a budget conforming to the Treaty. Thus, it seems wise and responsible for our Assembly to exercise, judiciously, its right to reject the budget, while at the same time trying to ensure continuity of public service during the temporary period between the two budgets covered by the provisional twelfths.

Mr President, I would now like to go into a little more detail, since the Council Presidency did the same.

If one refers to the 1980 precedent — because we had provisional twelfths for the 1980 budget, and at that time the EAGGF advances were viewed as commitments and not as payments — then the appropriations available for agriculture amount not to 1.34 thousand million ECU, as wrongly indicated by Mr O'Keefe in his statement, but 4.2 thousand million ECU from January, to which is added an additional twelfth per month. Therefore, they are higher than those of the draft budget up to October.

If one rejects the 1980 precedent in line with the observations by the Court of Auditors — and as you know, ladies and gentlemen, this is not Parliament's

opinion, because it upheld the 1980 precedent in its review of the Financial Regulation — if one rejects this precedent, then I concede to the Presidency that funding the EAGGF will be more difficult. But the Council is always free to apply the additional twelfths. This is a decision for it alone to take where compulsory expenditure is concerned, without intervention by Parliament, and is thus its responsibility alone. It is a matter of political will.

As for the Social Fund and development aid, the President-in-Office put forward the figures of 1.29 thousand million ECU and 700 million ECU respectively resulting from the provisional twelfths, in place of the 1.44 thousand million ECU and 841 million ECU provided for in the draft budget. But if I, for my part, apply the method advocated by the Council itself in 1980 — and I base what I say on authors versed in this field — then I note, on the contrary — without prejudging the value of this method, which takes as the sole reference base the payments allocated for the previous year — that there are 1.63 thousand million ECU for the Social Fund and 929 million ECU for development aid. In other words, ladies and gentlemen, the amount available for these items would be larger under the provisional twelfths system than in the Council's draft budget. To this should be added the possibility — challenged in principle at the time by Parliament, but authorized each time — of transferring appropriations to deal with emergency situations. This is how, in 1980, 10.5 million ECU was unblocked for Afghan refugees, 20 million ECU for Cambodia and 8 million ECU for Zimbabwe.

The Presidency erroneously interprets the Social Fund regulations to claim that the payments would not be possible due to non-adoption of the budget. Acceptance of the Presidency's interpretation would lead to a veritable *misuse of procedure*. The clause referred to by the Presidency was drafted in order to accelerate Social Fund payments, not to paralyse them. Quite clearly, it cannot be applied in the case of the provisional twelfths, unless what we have here is a device to prevent Parliament from rejecting the budget.

Finally, the Presidency obscurely conjures up hypothetical problems of liquidity. It forgets that, under the provisional twelfths system, expenditure has to correspond to resources. It forgets that any eventual deficit in implementing the 1984 budget, and carrying this over to 1985, are entirely the fault of the Member States, which underestimated the 1984 deficit so as to limit their financial contribution. The situation in which we now find ourselves is in no way the fault of Parliament, which proposed during the first reading that a genuine budget be drawn up containing the total income and expenditure forecast. The Council rejected these solutions, although it would have been possible, from a legal point of view, to draw up a budget for 12 months.

Mr President, I would like to clear up any misunderstanding right here and now. In no way is this a matter

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of encouraging the Council to violate the Treaty of Rome, the agreements on own resources, or the prerogatives of national parliaments, as certain malevolent reports have said. An intergovernmental agreement instituting reimbursable advances — along the lines of that concluded for the 1984 supplementary budget — is perfectly conceivable and would make it possible to draw up a budget covering 12 months' income and expenditure without infringing the slightest provision of the relevant documents. Why don't you do so, Mr O'Keefe, if you are so convinced of the Council's determination on this, as you have just told us?

Time and time again the European Parliament — especially during November's conciliation meeting — has said that it is ready to meet the Council once more in one last attempt at conciliation. The Council did not deem this worthwhile. I respect its decision, and I agree here with the comment by Mr Bernard-Reymond.

Since the Council has not seen fit to change its position with regard to a final discussion — and President O'Keefe's silence on the very explicit question I asked him at the beginning of this debate, seems to confirm things — and it is best we draw the necessary conclusions.

I regret this absurd argument about whether the Council did or did not require an explicit invitation from the Committee on Budgets to go to Strasbourg. Either there are things to be discussed — and we remain open to any contact up to the last minute, there might still be time — or everyone sticks to his positions, which would seem to be the case. In that case let each of us shoulder our responsibilities.

(Applause)

President. — The debate is closed. The vote will be taken at the next voting-time.

11. EEC-Yemen Cooperation Agreement (contd)

President. — The next item is the continuation of the debate on the report by Mrs Wiczorek-Zeul (Doc. 2-1102/84).¹

Mr Seeler (S). — *(DE)* Mr President, ladies and gentlemen, my Group approves not only the agreement but also the motion for a resolution and the amendments submitted by Mrs Wiczorek-Zeul. It should be pointed out, though, that this cooperation agreement is quite different from all the agreements we have dealt with in this House in the past few years.

I am thinking here, for example, of the cooperation agreement with the ASEAN States which provided, and still provides, European businessmen with enormous investment opportunities and the chance of making substantial trading profits. This agreement provides no such possibilities. The Republic of Yemen is one of the world's poorest countries, and here we have a new kind of attempt to provide development aid for an extremely poor state. Thus, as the rapporteur has said, this is a pilot project which we should support.

The way the Commission and the Council have treated the Parliament must be deprecated. For such cases we had agreed to apply what is known as the Luns-Westerterp procedure, under which the Committee on External Economic Relations and thus Parliament are informed in good time about the content of such an accord. This did not happen. It was only in May of this year that the Council gave its authorization to the Commission, and by the end of May the agreement had already been negotiated. In September the Commission submitted the proposed Regulation to the Council, but it was not until the end of October that the Committee on External Economic Relations was asked to vote — and urgently at that — on this agreement. It had no opportunity to take a critical look at this pilot project.

This must be deprecated. It also shows the value of inter-institutional agreements, and makes it clear that we need clear-cut rules, really binding for both sides, governing our dealings with one another when it comes to discussing and adopting such agreements. It was by a large majority that Parliament adopted ways of doing this on 14 February as part of its draft agreement for turning the Community into a European Union. This draft agreement clearly lays down the decision-making structures and the powers of the Council and Parliament when concluding such agreements. We now see how necessary these reforms are.

Mr van Aerssen (PPE). — *(DE)* Mr President, the Group of the European People's Party (Christian-Democratic Group) welcomes the agreement which has now been concluded and which, in our view, after tomorrow's vote will be ratified in a legally binding manner following adoption by Parliament. We do not view this as simply acceptance of a decision, but also as ratification.

When one has found a new friend, the largest trading power in the world, then one is happy about it. But we are also happy because for a long time now many members of our European family have maintained traditional links with the Yemen Arab Republic, links which have now been placed on a common basis.

At this moment this agreement is — and this is why we worked so hard for it — very important psychologically. Everyone in the European Community was horrified by the latest hostage drama. The European Par-

¹ See debates of 10 December 1984.

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liament is confidently giving a new sign here by speaking to Arab friends on quite a different level. I would like to express my agreement with rapporteur Wiczorek-Zeul that this accord opens a door. Mr Seeler spoke of a pilot project. I would say that we are showing the way by entering into new relations with the Gulf States, and I would like to ask the Commission most cordially to continue to support and further pursue the European Parliament's desire for a cooperation agreement with the Gulf States.

The European Community — and this is important to note since many people do not know it — heads the list of suppliers to the Yemen Arab Republic, ahead of Saudi Arabia and Japan. We are Number One in a good sense, we are Partner No One. What we mean by development policy in the good sense is now paying off.

The European Community began its support, cooperation and friendly collaboration with this country in 1977. The agreement says the Yemen recognizes the most-favoured nation clause. On the other hand, we also state officially that this country is still a developing country. It is thus basically clear that our work has paid dividends. This is very important for our friends working in the development aid field.

I don't have to explain that this is a classic trade agreement with a framework, a framework agreement. I would just like to reiterate the desire of my Group, and I would like to ask Mr Andriessen, the Member of the Commission responsible for institutional matters — Mr Andriessen, I hope that despite other tasks you will continue in this office in future, at least in your heart — to take into account that it might be quite a good thing if members of the European Parliament could take part as observers in the joint committees, at least every now and then.

I would ask you to take this desire into account, to think about it. I would also like to note most categorically — I would even go further — how much I agree with Mr Seeler's critical remarks about the way the Luns-Westerterp procedure was, in this case, not adhered to in the way we wish. On institutional and constitutional grounds we are no longer prepared to accept this next year. This is meant as a friendly warning.

President. — Mr van Aerssen, your time is up.

Mr Andriessen, Member of the Commission. — (NL) Mr President, I think I can say that the agreement signed on 9 October last in Brussels is important mainly because it is the first contractual link between the Community and a country of the Arabian peninsula. The agreement is in itself similar to others which we have concluded with a large number of non-associated developing countries. It will run for five years,

can be extended and provides for cooperation over a broad spectrum of activities in commerce, economic affairs and in the field of development.

So far trade has naturally been very limited. However, there are ways of increasing trade, and the fact that both parties will apply the most-favoured nation clause will obviously contribute towards this.

As far as economic cooperation is concerned, the agreement will boost cooperation in agriculture, fisheries, the food industry and tourism in Yemen. The agreement also covers cooperation in science and technology, as well as in the field of energy, which the Commission regards as important for Yemen in view of recent developments in the oil sector.

The agreement also provides for increased training, as proposed by a European Parliament delegation following a visit earlier this year. Since Yemen is one of the world's least developed countries, the Community has undertaken to extend its financial and technological cooperation in accordance with its development policy. Cooperation between Yemen and the Community has steadily increased over the past five years, and the Commission sees this agreement as an opportunity to promote further cooperation and to help the Yemen Arab Republic achieve economic and social progress.

Mr President, reference has been made in this debate to my past in the Community institutions, and allusions have also been made to my future career. Under the circumstances, I believe that the Commission has acted responsibly, although perhaps not exactly as suggested by the honourable Member Mr van Aerssen.

Allow me to conclude, Mr President, by saying that the fact that responsibility for institutional affairs will be entrusted to another Member will in no way prevent me from exercising the same function with regard to institutional affairs as in the past.

President. — The debate is closed. The vote will be taken tomorrow at 7 p.m.

12. Appointment of the new Commission (contd)

President. — The next item is the continuation of the joint debate on the reports by Mr Formigoni (Doc. 2-1119/84) and Mrs Vayssade (Doc. 2-1145/84).¹

Mr Hänsch (S). — (DE) Mr President, ladies and gentlemen, this Parliament always seems to have big plans. We submit a draft treaty on European Union, and we devote time to the *ad-hoc* Committee — which

¹ See debates of 11 December 1984.

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was then more or less given short shrift in Dublin. However, today and tomorrow we have an opportunity 'through our vote' to take a small but quite concrete step towards implementing our plans, and this we can do by squeezing all we can out of the current Treaties, something we have not by any means always done.

Under Article 144 of the EEC Treaty we can express no-confidence in the Commission. This means that the Commission cannot carry out its duties without our confidence. What could be more natural, at a time when a new Commission is being appointed, than to demonstrate clearly that it needs our confidence in order to do its work?

Moreover, the Stuttgart summit gave, as it were, the green light for this, and we would be really bad Parliamentarians if we did not, at the very least, make use of this small possibility.

This also underlines the importance of the instatement of the new Commission, which I hope will fare better than the old Commission did. At the end of its period in office it was — one has to be honest — in a wretched state of collapse. Commissioner Andriessen, you are not personally to blame for this, but things have really come to a pretty pass when two Commissioners steal away secretly from their posts without Parliament being officially informed of what is going on. It would have been better if the Commission had commented on these matters.

We are told that a vote of confidence is irrelevant from a legal point of view. Of course, we are well aware of the provisions of the Treaties, but we also know the importance of symbolic acts in politics. If it is refused a vote of confidence in January, then the new Commission will be discredited in the eyes of the public, whereas expressing confidence would strengthen its work and its standing *vis-à-vis* European public opinion. Immediately on taking office the new Commission must submit its policy guidelines to the European Parliament. Immediately afterwards there must be a debate and then a vote of confidence. Many people say we should postpone the vote until February or March. But we must have the guidelines, debate and vote all in one go!

I believe we must reach the stage where the Commission gives a solemn undertaking before the European Parliament. We are told that this is not possible. Many things are not possible! But if we want it, and if above all the Presidium wants it, Mr President, then this is something which can be done . . .

President. — I am sorry, but your speaking time is up.

Mr Mühlén (PPE). — (FR) Mr President, ladies and gentlemen, as far back as the beginning of November

my colleague Erik Blumenfeld and I introduced a motion for a resolution on the redistribution of portfolios within the new Commission, believing as we did that the European Parliament should express an opinion on the major principles to be observed in this connection.

Meanwhile, the question of allocation has been settled with a speed on which the new Commission President, Mr Jacques Delors, should be congratulated together with his future colleagues. For this reason the debate on the appointment procedure can take place in a climate free of the uncertainty we had expected. This is also the reason why I and my co-author of the resolution on distribution of the portfolios thought it opportune to withdraw our motion for a resolution, without, however, renouncing our right to contribute to this general debate, because it is necessary to express our satisfaction, and that of the other co-signatories of this motion for a resolution, at the way he responded to our worries.

To begin with, it has to be noted that real efforts have been made to avoid excessive concentration — as has been the case in the past — of powers in the hands of just a few Commissioners. Moreover, it must be acknowledged that the Commission Members coming from the small Member States will — judging by the posts allocated to them — have a real chance of sharing in an appropriate manner in the new Commission's responsibilities.

However, we feel less reassured about whether certain powers — such as those relative to small and medium-sized undertakings or to environmental policy — are placed in the hands of one and the same Commissioner in such a way as to guarantee the unity of action and responsibility requested by the authors of this motion for a resolution. Furthermore, I would like to think — but we await more information on this — that account has been taken of the fact that two new Member States will be joining the European Community and that now is the time to be thinking about the portfolios of the future Commissioners they are to appoint.

Mr President, these are the points I wanted to make on behalf of myself, the co-author and the signatories of this motion for a resolution. We will no doubt have further opportunity, during a future meeting, to state in no uncertain terms what this European Parliament expects from the new Commission.

Mr van Aerssen (PPE). — (DE) Mr President, now that the representatives of the largest and the second-largest Groups — the Socialist Group and the Group of the European People's Party — have had their say on this important topic, one we have been discussing for five years and for which we fought during the previous legislative period, I would like to take the liberty of telling you that we can no longer afford to place

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such important matters on the agenda for discussion at such a late hour.

(Applause)

President. — Thank you for your comment, Mr van Aerssen.

Mr Nord (L). — *(NL)* Mr President, despite the late hour I feel it is our duty as Members of Parliament to remain to discuss matters of great importance. All we can do in such cases is to prove the truth of the French saying '*les absents ont tort*'. I do not mean by this to be offensive to the European Commission, which is in fact represented here, especially since what I have to say is somewhat critical of the Commission.

Mr President, in the past few weeks we have witnessed a remarkable phenomenon. We have seen the Commission melt away like snow in the spring. Its Members are disappearing as we say in Dutch, '*met de noorderzon*'. The French say '*filer à l'anglaise*' and the English say '*taking French leave*'. It therefore seems to be a good European tradition to accuse one another of ...

(Interruption)

It was the French who used the expression '*filer à l'anglaise*'; was it not?

... and the most remarkable thing is that no one seems to have noticed. We read in the papers that we had lost a Member of the Commission, and then a few weeks later we read that we had lost another. No one seems to have noticed this. They have not been replaced, and thus a situation has arisen which is in conflict with the Treaties. For quite a considerable time the Commission has not been fulfilling the requirements of the Treaty, which quite clearly lays down how many Members it should have.

The Lomé Convention is, as I imagine we all agree, an extremely important document, and it is soon to be signed in the absence of the Member of the Commission responsible. I would like to assure Mr Andriessen that I do not mean to criticize personally any Member of the Commission or country but that the amendments which I have tabled to the Formigoni report, and which I earnestly hope Parliament will approve with firm conviction, were prompted by my fears that the Commission's credibility is being weakened.

Mr Hoon (S). — Mr President, I am speaking on behalf of the Socialist Group and I am speaking to the Vayssade report.

The House of Lords was once described as a hospital for incurables. I know nothing about Lord Cockfield's state of health, or whether he is mentally or physically

capable of fulfilling the responsibilities of a Member of the Commission. What is quite clear, however, is that he is incurably a Member of the House of Lords, incurably a Member of the British Parliament, incurably, therefore, a member of a national legislature, a position from which he cannot resign since this is not permitted in English law.

The Socialist Group maintains, therefore, that as a member of the national legislature, Lord Cockfield is disqualified from holding office as a Commissioner because he cannot properly, cannot independently fulfil his duties and obligations as a Member of the Commission. He is required to be independent by virtue of Article 10 of the Merger Treaty, a provision that has led many previous elected members of national legislatures to resign their seats. The Socialist Group believe that this applies with equal force to those who, like Lord Cockfield, are appointed and not elected as members of national legislatures. The Socialist Group also believes that this is entirely irrespective of whether or not he applies for and is granted leave of absence by the House of Lords. I ask you, therefore, to support tomorrow those amendments tabled in my name which maintain that leave of absence is irrelevant to this issue, that membership of a national legislature, on whatever terms, is incompatible with holding office as a Member of the Commission.

I must apologize to the members of this relatively youthful institution for having to give its time and attention to the antediluvian archaic activities of an ancient House of Lords. Tom Payne could not understand how and why the British people tolerated such a system. He asked whether if you were ill you would consult a doctor whose sole qualification for practice was that his father had been a doctor. The overwhelming majority of Members of the House of Lords are there because they inherited their titles; they inherited their qualification to legislate from their fathers. I mention these matters because, unfortunately, the Committee on Legal Affairs and Citizens' Rights has based part of its conclusion on the standing orders of the House of Lords, on that part which permits a Member of the House of Lords to apply for and be granted leave of absence.

Let us be quite clear about leave of absence from the House of Lords. It is quite different from similar provisions which exist in the standing orders of other European parliaments and assemblies. It is different because it was introduced to fulfil a quite different purpose. It was introduced to prevent those many hundreds of members who never attend the House of Lords from suddenly and without warning turning up and voting, abandoning their traditional hunting, shooting and fishing for the similar slaughter of government legislation. The legal significance of this must not be overlooked, however, and I regret it is missing from Mrs Vayssade's report, because any Member of the House of Lords who chooses to attend and vote is legally entitled under British Constitutional

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law to do so, even though he has leave of absence. It is quite clear that legally he cannot be prevented from attending and voting in the House of Lords. He remains a full legal member, which, notwithstanding leave of absence, means that he is in no different position from any other Member of the House of Lords. I wonder, in fact, whether the British Government even thought of this when they nominated Lord Cockfield, whether they consulted the Treaty or took legal advice. If not, it is a remarkable state of affairs, because the British Government has lately repeatedly lectured the British people about upholding the rule of law. Here is an opportunity for the British Government to heed their own advice to uphold the law by withdrawing Lord Cockfield's nomination. They could then take notice of my colleague Carol Tongue's amendment to appoint instead a woman to the Commission, instead of an ageing member of an ancient institution, who could then be shown how seriously the Community views the vital importance of the rights of woman. Commissioners must not only be independent, they must be seen to be independent, and in the same way the Community must not only appear to take women's rights seriously, they must be seen to be doing so. And in what better way could that be achieved than by the appointment of a woman to the Commission? My thanks, Mr President, for your indulgence.

(Applause)

Mr Price (ED). — Mr President, the Vayssade report contains an interpretation of the Treaty on one specific question. It is whether the fact that Lord Cockfield is a life Peer is incompatible with his being a Member of the Commission. This issue has been raised by British Labour Members. The form of their objection is legal and entirely proper. The substance is political and entirely irrelevant to the provisions of the Treaty and the report before us tonight. The Committee on Legal Affairs and Citizens' Rights, led by its distinguished chairman, Mrs Vayssade, as rapporteur, rejected the complaint and found that, provided Lord Cockfield takes leave of absence from the House of Lords, no incompatibility will exist.

There are four amendments to the report, all submitted by British Labour Members. These amendments disclose their real objective: they call for the replacement of Lord Cockfield by a woman Commissioner. Their real objection to Lord Cockfield is not that he is a peer but that he is a man. Britain was the first Member State to have a woman Prime Minister, and it seems that British Labour Members have been so impressed with her achievements that they want the Community to have a similar woman to deal with its affairs as a Commissioner. The Vayssade report makes no reference to any of these considerations, and correctly so, because they are completely irrelevant.

The report does clearly set out, however, the legal issues and answers the arguments just put by Mr

Hoon. The requirements of Article 10 of the Merger Treaty are that Commissioners must be independent and that they must not engage in any other occupation. Mr Hoon's main argument is that Lord Cockfield will remain technically a member of a national legislature. But the House of Lords is a very unusual body. Normally members of a national legislature are elected and paid to do a job. They therefore have an obligation to engage in an occupation, which is quite clearly outside the terms of Article 10 of the Merger Treaty. But a Member of the House of Lords is not elected and he is not paid as such, and no such obligation to engage in that occupation exists. That is the essential difference and what is unusual about the House of Lords.

Mr Hoon also gave us a little history about how the rule came into being, of having leave of absence from the House of Lords, and said it was to prevent Members who did not normally participate in the work suddenly descending. Is that not the very point that the report makes? Leave of absence prevents people coming along suddenly and participating in the work. Effectively it debar participation in the work of the House of Lords.

Finally, Mr President, the point really is this: this objection is entirely speculative and premature. If Lord Cockfield were to participate in the work of the House of Lords, I would agree that he would probably be debarred under Article 10. Unless he does so in the future, after he is appointed as a Commissioner, his appointment will be entirely valid.

Mr Gazis (S). — *(GR)* Mr President, at first sight it would seem that the subject we are discussing is of interest only to the United Kingdom. However, it has more general implications, and for this reason I asked to speak.

I think that everybody recognizes that a member of a national parliament cannot be a Member of the Commission at the same time. For this reason, whenever in the past members of national parliaments were appointed to the Commission, they first relinquished their parliamentary office. Today, in the case of Lord Cockfield, it is claimed in some quarters that there is no incompatibility, because the House of Lords will give him leave of absence. I do not think that this is correct, because the incompatibility is created by the fact of Lord Cockfield's membership of the House of Lords. And this incompatibility will persist whether Lord Cockfield visits the House of Lords or not, because his link with the House will continue to exist throughout his term of office as Commissioner. But there is another side to the question. The leave of absence which the House of Lords seems to be granting is a device which is foreign and incomprehensible to the parliaments of all the other Member States. None of these parliaments, whose members are elected to serve the interests of the people, can say to one of

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its members: now you can stop serving your people and can go and work somewhere else without having to resign in advance. However, it appears that the House of Lords can do things which the other parliaments cannot do. Perhaps this is because its members are not elected but are appointed for life. However, this discriminates in favour of the House of Lords, which of all the parliaments will be the only one which will be able to delegate members as Commissioners, who will be able to hold both offices simultaneously.

(The President asked the speaker to conclude)

Mr President, the Treaties also created a body with supranational characteristics as a counterweight, namely, the Commission. Allow me to say that the election of Lord Cockfield will be a blow to the supranational character of the Commission and a retrograde step in our endeavours to bring about a United Europe.

(Applause from the left)

President. — The debate is closed. The vote will be taken tomorrow at 7 p.m.

13. Competition policy

President. — The next item is the report by Mr Gautier, on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on the thirteenth report by the Commission of the European Communities on competition policy (Doc. 1-208/84) (Doc. 2-1133(84)).¹

Mr Gautier (S), rapporteur. — *(DE)* Mr President, ladies and gentlemen. Before the House moves on to competition policy, I would like to thank the Commission, and specifically Mr Andriessen, as the Commissioner with direct responsibility, for the strenuous efforts made to ensure that the opinions and observations of this Parliament were taken into account. Not only he, but also his officials, were always available for discussions with Parliament, and I believe that this is also quite obvious from the 13th Report on Competition Policy. I hope that Mr Andriessen will ensure that his Irish successor adopts the same attitude.

At this juncture, it would seem advisable to make some general comments on competition policy. As a Social Democrat, I find this a field in which it is difficult to draw hard and fast lines or to confirm that the Social Democrats and the Socialists will agree to all proposals. Rather, we undoubtedly now and then have our

difficulties with the relationship between competition policy and the market economy, or the distribution of ownership within society.

As rapporteur for the Committee on Economic and Monetary Affairs and Industrial Policy, I wish to make it clear that the vast majority of both my group and the committee consider competition policy to be a major element in society, irrespective of the distribution of ownership within that society. This majority accords a crucial role to competition policy in both aiding the consumer and in increasing the efficiency with which all kinds of products are manufactured. I believe that competition policy will continue to play a vital role in the kind of social structure we Social Democrats would like to see achieved in the future.

Nationalized industries and those in the public sector should also face up to the competition provisions of the European Community and the purchasing behaviour of the consumers, since competition also involves consumers, the choice available to them and their access to a market offering the widest possible range of reasonably-priced goods.

Unfettered competition in its classic form does not exist anywhere in the Community, because other criteria have to be taken into account, and social and regional interests protected, as well as those of the workers involved. A rigid competition policy has therefore never been accepted by all Members of this Parliament, and a single example — that of the steel industry — will suffice. Parliament has always adopted the view that competition policy should be tempered whenever any more rigid application would result in unacceptable social or regional consequences. For this reason — as we have tried to make evident in the report — we believe that competition policy must be integrated with the various other policies adopted by the European Community. Pride of place in the report is thus given to the field of crisis cartels. We believe that the necessary restructuring policies can only be carried through if those involved in certain sectors can get together round a table to agree where reductions have to be made in capacity. This is the case for steel, synthetic fibres and, more recently, also for polyethylene and other chemical products. This reduction must, however, take place within a strict framework, and we Social Democrats also consider it advisable that workers' organizations be consulted. Although that is not mentioned in the report, we will also be voting tomorrow on whether workers' organizations should participate in the formation of crisis cartels.

The whole question of subsidies under Article 92 of the EEC Treaty, i.e. regional and State aids for a wide range of industrial sectors, is a difficult one. The current economic problems have led to understandable increases in State aids, since all Member States of the European Communities are confronted with the serious problem of unemployment and believe that certain specific sectors or regions can be shielded from

¹ The oral question by Mr Beazley and others to the Commission, on aids to domestic industries (Doc. 2-1087/84), was also included in the debate.

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unemployment by the payment of subsidies. It is, however, perfectly obvious that this can only happen at the expense of another Member State. If State aids are employed to save the German textile industry for instance, this will be at the expense of the Belgian, British or some other textile industry, since production is limited by the ability of the market to absorb the produce. Our committee therefore considers that State aids, whether they be sectoral or regional in nature, have to be studied in a European context that requires a wider definition than just the parameters of the market economy. Because the regional and social consequences of these subsidies are also so significant, regional subsidies should be integrated into programmes aimed at restructuring the various economic sectors.

With your permission, I will now move on to the overall vertical competition policy of the Community or, in other words, block exemptions in general. Our committee is in agreement with the Commission's draft regulation granting research agreements a general exemption from the provisions of Article 85(1) of the Treaty. We also agree with the granting of exemptions to distribution agreements included in research agreements, but only on condition that the market is defined on a different basis from the Commission's proposals. In addition to the share of the joint market held by the joint venture, international competition must also be a criterion.

As far as block exemptions are concerned, we still cannot agree on the subject of motor vehicle distribution agreements as you, Mr Andriessen, will know from our committee discussions on this point. Such agreements were debated by the European Parliament in June of this year, and a considerable majority decided that the 12% clause you had wished to apply to this branch was not a sound approach. After all, in terms of block exemptions, abuse of market position can be defined in other ways than by using this 12% guideline. In fact, our committee was very pleased to hear that the Commission had amended its draft, and it therefore came as an even greater surprise to find that the Commission, in the explanatory notes on the application of the draft, had introduced an 18% clause for the entire vehicle sales sector. Abuses can, though, occur even where the clause provides for a 16% price differential. The Commission should not sit back until the 18% limit has been exceeded and remain quite unmoved at, say 17%. Rigid adherence to percentage figures is a poor basis for Commission action, and it should instead take action wherever selective distribution agreements are used to distort competition, irrespective of whether the percentage involved is 15 or 25.

With your permission I will make a further comment on procedure in general. Our committee and the legal Affairs Committee, all of whose amendments I support, have put forward a number of proposals to make the Commission's procedure more 'transparent' and effective. We consider it extremely important that the

jurisdiction of national courts be extended to include Community competition regulations, since this would reduce the load on the European Court of Justice, as well as achieving more widespread adherence to the whole of the European Community's competition policy.

As I mentioned to you, Mr Andriessen, during one committee meeting, we would be delighted if the European Communities' competition policy were to be as well expounded as it is in the small brochure 'Community Competition Policy' that you published for small and medium-sized firms.

Mr Wijsenbeek (L), draftsman of the opinion of the Committee on Legal Affairs and Citizens' Rights. — (NL) Mr President, may I begin by wishing the rapporteur, Mr Gautier, well with his report and with the introduction he has just presented although I have to say that his committee has paid disappointingly little attention to the advice of the Committee on Legal Affairs and Citizens' Rights.

Secondly, I should like to express my satisfaction that this report presents us, for once, with a subject on which our discussions on the Commission's policy can be more positive in tone than negative. Unfortunately, this is all too rare. Although speaking as the draftsman of the opinion of the Committee on Legal Affairs and Citizens' Rights and therefore focusing particularly on such procedural aspects of the Commission's competition policy as its prosecution and exemption policies, I would nevertheless like to begin with just one comment on competition policy as such — being the application of the two articles, 85 and 92, which particularly concern us.

This is because the Committee on Legal Affairs and Citizens' Rights is very concerned about the exponential increase in State aid measures. The report notes that in 1983 the Commission delivered 15 decisions under Article 85 and 5 under Article 66 of the Treaty compared with 201 opinions on State aid. On only 21 occasions were formal negative rulings made, but even that figure is higher than the 1984 one. You will understand that we consider it extremely important that these measures, which are in contravention of the Treaty, be monitored more effectively. If we as a Parliament are to be able to carry out our monitoring role effectively and to explain to our electors why genuine European unification — particularly a free market — has not yet been achieved, we must also be able to show that it is precisely the national governments, also directly elected, that have consistently hindered implementation of that policy.

The Commission has stated that it is not able to provide this House with a full overview of all State aids. In our opinion, with the modern data processing techniques now available, this should have been at least attempted. Incidentally, while on this subject, it is

Wijsenbeck

interesting to note that a number of legal actions have been undertaken by companies, for example in the paper sector, against aid, provided by the State or by national organizations for regional or sectoral development, that results in unfair competition. While we have no intention of giving an opinion on matters that are now *sub judice*, we will be keeping a very close eye on events and it will probably be very interesting to examine the matter at a later date once the European Court has delivered its verdict on the LPF case.

After all, what is going on? Why have these companies filed these complaints? There are two reasons. First, State aid makes it more difficult for sound companies to survive. Secondly, you know where this kind of aid begins but no one knows where it will end — one need look no further than the RSV enquiry which is now well known even outside the Netherlands.

With respect to the relationship between institutions and the powers of this Parliament, attention should be drawn to a number of exemptions granted by the Commission since they are such major matters that the absence of a parliamentary opinion, and even the failure to notify this Parliament other than through the press coverage available to any citizen, has to be described as undesirable if not disturbing. For instance, the draft regulation, provisionally No 490/84, which the Commission intends to implement before Christmas must from a practical point of view be called premature at the least. It seems to me that I now have a duty before this Assembly to ask the Commissioner to delay implementation of this regulation and to leave it in the hands of his successor.

If asked to give two instances in which Parliament was not asked to offer its opinion, my immediate response would be to name the IBM case. It is simply ludicrous that the Parliament received no notification except an informal one through the press. The second instance would be the Phillip Morris group of companies. I would therefore like to urge the Commission to reveal, at least in some measure, how it intends to reach a decision in competition cases such as, *mutatis mutandis*, are currently defined in Article 15 of Regulation 17/62.

This brings me on to the Patent Licence Regulation 2349/84 of August this year which repealed the Regulation announced at Christmas 1962. In view of the importance also attached by this House to the development of technology, such as a research and development programme aimed particularly at reducing the lead held by the USA and Japan, this development does offer some hope though it must be noted there is a direct dependence on rapid ratification of the Patent Treaty.

I should like to wind up by making a number of comments on procedural measures and begin by expressing our appreciation of the work done by the hearing officer. In great part, the success of this institution is due

to the way the Commission official concerned has interpreted his role and I would like to commend this publicly.

Secondly, we do not want to shackle the Commission too much in this field where it is doing vital work very ably and deserves to be regarded as the cornerstone of the Community. The expression of a certain number of wishes and desires to see companies in a stronger position and enjoying greater legal certainty, should not be taken as a criticism of the Commission but rather as encouragement to proceed along the course already adopted. Nevertheless, appropriate measures must then be taken, via this Parliament, to protect the businessman and the voter in general.

Because the Court of Justice is already overworked, we repeat our wish to see the Court equipped, perhaps in the long term, with a separate Chamber for competition cases and direct application of the rules and regulations given to national judiciaries. As the Commission stated on March 27 in answer to Mr Moreland, this can be done only if national judiciaries are empowered to award damages. We would welcome action by the Commission, in consultation with the Court of Justice, to arrange a number of study and coordination meetings with national judiciaries.

Just to make one more comment here, last year the Committee on Legal Affairs and Citizens' Rights appealed, in the form of an amendment by my highly esteemed predecessor Mr Geurtsen, for extra-territorial application of competition rules. The first step in this direction, and one we warmly welcome, is the agreement on the reciprocal recognition of barristers from other Member States.

As rapporteur, I would have preferred to be able to recommend the adoption of the entire Gautier report and if all possible opportunities for dialogue between our two committees had been exploited, I am convinced that it would have been unnecessary for the Committee on Legal Affairs and Citizens' Rights to submit additional amendments. At this time I am very grateful for the support I am privileged to receive from the rapporteur and on behalf of my Group I warmly recommend the adoption of this report along with the amendments proposed by the Committee on Legal Affairs and Citizens' Rights.

Mr Rogalla (S). — (DE) Mr President, ladies and gentlemen, I would like to express my agreement with the comments made by Mr Hänsch both on the action to be taken by the new Commission to ensure free competition and on the way the last Commission has acquitted itself. Competition involves not just goods but also people and the new Commission could achieve a competitive edge over the current one by, for example, giving a solemn undertaking here in this Parliament. I see no legal obstacle to this course and it would give very concrete and pragmatic form to the mutual confidence so vital to the citizen.

Rogalla

That having been said, there are a number of comments that I, on behalf of the Socialist Group, wish to make on the report. These are not, however, aimed at the rapporteur, who has shown meticulousness and an excellent feel for the interplay of economic factors in compiling a report which we unfortunately cannot approve since it did not survive the committee stage without having all its teeth drawn by hard-line Conservative Members.

One simple provision that is now universally accepted, worker participation in major business decisions, was deleted from the report because Christian Democrat, Conservative and Liberal Members considered it superfluous. Fortunately, the rapporteur has put forward a number of amendments which form, in spite of some very constructive sections in the report as it now stands, a pre-condition of our support for it. The most important of these is the reincorporation of the provision requiring the Commission, before making a final decision, to consult workers' representatives on the crisis cartel concerned. It is not much to ask — a very reasonable objective would have been worker participation in the decisions of all companies within the Community, but we are being much less ambitious — and is a very important precondition of our support.

Secondly, this is a well charted field, surveyed by no less than 13 annual reports and one in which the work done by Mr Andriessen as Member of the Commission has already earned recognition here. In expanding on that praise, I should like to say that it is but further proof that a determined person with capable subordinates, Directors-General etc. will always manage to achieve good work. Is there any reason why this should not apply to other parts of the Community's activities?

Inadequate attention has, however, been paid to the way competition affects the consumer, workers and citizens since even a good report is flawed if it is not drawn up with a particular aim in mind. For us Socialists, the economy is but the people involved in it and we therefore call for greater stress on the needs of the consumer. Pride of place must go to the person for whom all economic activity is undertaken — the citizen.

Now a comment on reductions in State aids. Again and again I am told . . . 'but the others!' German aid is of course not mentioned to me, instead the reference is to Belgian or French aid. The Commission's approach to its task has been a gentle, I would go so far as to say expert, one and it has concentrated first on establishing the conditions under which aid measures can be approved. Surely, however, the point is that State aids will have to be abolished altogether? Mr Gautier mentioned this and I want to point out that this would, of course, cause hardship. Mr Huckfield commented during the debate on regulations to limit exhaust gases and the lead content of petrol that investment catalytic converters may not take place in

his own country but rather in the Opel works in Bochum, the Volkswagen plant in Wolfsburg or in the new British Leyland plant in some other part of the Community. This is a significant factor in competition policy-making and must be taken into account.

I also want to comment on our proposed amendments and on the monitoring procedure we would like to see adopted by the Commission. The Commission should, in our opinion, demonstrate resolution and legal perspicacity in continuing its objective surveys and enquiries and we would appreciate the greatest possible support from members for our amendment proposals so as to make it possible for the Socialist Group to vote for this report as well.

Mr Franz (PPE). — (DE) Mr President, ladies and gentlemen, (. . .) the [economic] policy of Europe, by not leaving things at perfect liberty, occasions other inequalities (. . .) It does this chiefly in the (. . .) following ways. First, by restraining the competition in some employments to a smaller number than would otherwise be disposed to enter into them; secondly, by increasing it in others beyond what it naturally would be; and, thirdly, by obstructing the free circulation of labour and stock, both from employment to employment and from place to place.'

That is what Adam Smith wrote in his book 'The Wealth of Nations' in 1776. Unfortunately it is just as true now as it was 208 years ago. Mr Andriessen and the European Commission are to be congratulated for continuing to subscribe, on the occasion of the thirteenth report on competition policy, to Adam Smith's objectives and for taking up cudgels in defence of full and fair competition.

Mr Rogalla has described the strenuous efforts within the Committee on Economic and Monetary Affairs and Industrial Policy to establish basic standpoints with regard to competition. My group is very pleased to see that the report emanating from this committee lends weight to our clear stand on competition. I should like, if I may, to focus on four problems significantly affecting competition and, by extension, the competitive strength of the European economy.

First, the domestic US market, comprising 220 million consumers and without any internal frontiers or trade barriers, has been largely responsible for the creation of 20 million jobs within the last decade. It cannot be said often enough that we can solve our economic problems only by creating a real European domestic market. Chief among these problems is high unemployment and, though Mr Rogalla may be disposed to doubt this, our group also accords it the highest priority.

Untrammelled, fair competition within the European Community would not only free considerable resources currently squandered in frontier formalities

Franz

but it would also ensure that within the EEC better performance would be rewarded, market dominance controlled and the development of the supply of goods and services determined by the daily interactions of 270 million participants in that market.

Technical and economic progress would be stimulated, there would be better prospects for new products and new processes and Europe would be in a stronger position to attract new competitive investment. The creation of a large, unified and effective domestic market with full competition is the most important precondition for restoring health to the European economy and generating a lasting economic recovery.

Secondly, in Europe the worst enemy of competition is the system of State aids. We should never for a moment forget the far reaching consequences of years of State aids introduced to prop up industries but resulting in the distortion of competition and the slow-down of technological progress. Again and again, such State aids have discriminated against certain competitors and weakened competitive companies. State aids have potentially explosive consequences for political cohesion and, in the longer term, they badly damage the economy by delaying much needed adjustments to changing market conditions.

We can all think of examples of State aids that have held back essential modernization of particular branches and so caused the permanent loss of jobs. Even though it may be difficult, we must cut back on State aids as soon as their original purpose has been achieved or it becomes impossible to achieve it and also whenever the side effects of such aid delay changes in the structure of the industry. If restructuring requires State aids, these should be entirely 'transparent', for a set period and, if possible, phased out gradually. Considerable caution is required even in the case of 'sunrise industries' since it is debatable whether Governments and administrators are better informed about future demand trends than those in the market place.

Thirdly, the significance in the State's role in hampering competition is consistently underestimated. If we want to retain the positive effects of competition, we have to redirect state involvement towards its proper tasks. After all, there is no way that the state can restore competitiveness or conserve it. The basic rule still applies that the less direct state involvement there is, the better the economy can function.

The state must provide a basic framework — taking measures to ensure that while entrepreneurial daring is rewarded, competition is not impeded. We should make a serious effort to privatize state-owned enterprises, and public services should be put in the hands of more capable private firms. Public property should be privatized wherever this can be done without prejudicing the interests of the state. An end must be

made to this senseless practice whereby state-owned enterprises give preference to firms in their own country when awarding contracts.

Fourthly, we see the growth of protectionism in many parts of the world as a very disturbing phenomenon. Worldwide reinvigoration of economic growth can occur only through the restoration of free world trade on the classic GATT model. This would include the further opening up of the European market to underdeveloped countries, which can only solve their problems by raising their income from exports.

If we want to maintain our standard of living in Europe, and to reduce unemployment, we have to accept international competition. We need the dynamism engendered by competition and we are going to vote in favour of Mr Gautier's report since it emphasizes the vital significance of competition.

(Applause)

Mr P. Beazley (ED). — Mr President, the creation of real competition within a real common market is one of the most important necessities of our Community. Real competition requires two elements: firstly, the will of those companies and services at present operating only on a national basis to adopt a European dimension and, secondly, the removal of national barriers of all types — technical, economic, financial and fiscal — which prevent industry and services from doing so.

DG IV, working in close cooperation with other Directorates-General, has a major part to play in the creation of a real common market. However, the agencies of many Member States, together with many industries, have vested interests in maintaining the compartmentalization of Europe. This, however, is false reasoning based on short-term interests.

Europe can little afford to make such limited use of its scarce resources of capital and manpower. No more can it be so dilatory in taking positive action to change its historic bases to a new one more appropriate to the modern world. Time is running out. Europe has to create its strong European base by developing world-competitive industries and services, to provide the social benefits to which Europeans aspire, to act as the vital link between Europe and the Third World and provide the necessary security and stability to support a political voice in international affairs.

For this reason I have always welcomed the close cooperation between DG IV and the European Parliament in the creation of a fully competitive internal common market capable of maintaining and extending its position in the international external market of which Europe still holds the largest share. This partnership is one of joint and equal endeavour. The Parliament understands why DG IV must have special

Beazley

powers, much as it regrets the necessity to handle certain parts of its policy by regulations.

Nevertheless, my group welcomes the close cooperation built up with DG IV under its present Commissioner, using its own-initiative reports on subjects requiring regulations, and we look forward to this continuing with his successor.

With such little time at my disposal, I can only deal with two aspects of the very excellent 13th report on the Community's competition policy: first, State aids and secondly, selective distribution agreements relating to the motor-car industry.

My group welcomes the trend noted in the report towards tighter control by the Commission on State aids and the fact that 1983 saw a major upswing in the number of State-aid problems presented to the Court of Justice. The requirements of Articles 92 and 93 have been frequently thwarted by Member States, and the spirit of Articles 92 and 93 is more regularly frustrated by the actions of Member States in a wide array of measures used to protect national markets at the expense of efficiency.

DG IV must continue to pursue illegal State aids ruthlessly. In this regard, I recommend to the House and to the Commission Amendment No 34 by my colleague, Mr Welsh, proposing that where Member States have not notified aids to the Commission as required by Article 93(3), it should require the freezing or return of any such prenotification payments made before it commences a procedure under Article 93(2).

Secondly, I would like to comment on paragraph 96 of the Commission's report on Article 85 applied to the distribution of motor-cars. It is particularly relevant, because today the Commission has published its new regulation on the block exemptions of distribution and servicing agreements for motor-cars. I have not yet had the opportunity to read this document in its final form, but from such information as I have received, it should represent a fair balance between manufacturers, dealers and consumers.

I emphasize all three interested parties because the general interest lies in a balance between their individual interests. A European common market for motor-cars is an important objective for the Community, because the indigenous manufacture and distribution of motor-cars is essential to the European economy at all levels from raw materials through engineering products to finished goods. Without it, jobs and wealth creation and a great number of industries as well as technical expertise would disappear from Europe in this sector.

These industries, however, must be competitive on a worldwide scale if they are to play their part in the European economy. However, consumers must be

aware of the vast losses made by many, if not the majority, of European manufacturers of middle-range passenger cars, nor are they sufficiently aware of the extent to which consumers are ripped off by governments' fiscal policies in the very non-manufacturing markets from which low-priced, before-tax cars are exported into manufacturing markets.

Mr Bonaccini (COM). — *(IT)* Mr President, ladies and gentlemen, my Party has traditionally rejected reports and motions concerned with competition policy, since they appear to us to be oddly incapable of dealing with market problems and give the impression of a strange, almost pathetic, series of calls for a world that no longer exists under present-day economic conditions.

This time we were ready to take a more positive attitude to the subject in view both of the remarkable efforts made by Mr Andriessen and his officials, and of the great lengths Mr Gautier had gone to to equip this report with a more cohesive structure more suitable for the subjects being discussed. We were convinced of this right up to the vote, but though we are now talking about Mr Gautier's report, there is virtually nothing left of it — at least nothing of the more interesting sections of the report! I would say that the majority which has emerged on this committee can be credited with persuading us that our support was based on a misreading of the situation and should therefore be dropped.

I know that Mr Gautier is trying, by means of amendments, to reestablish the structure and tone of his report, and while we are well disposed towards that effort we can be pardoned for being a little sceptical of its success. Consequently, as things stand, we will be voting in the traditional way. This does not, however, mean that we do not fully appreciate the importance of competition policy. Indeed, for a great many years the EEC possessed only two instruments of industrial policy: the creation of a common market and the affirmation of a policy of competition. One or other of these was the basis for any decision and for the allocation of resources. Economic reality, however, required the common market to progress and improve, until it became a real domestic market, and made it necessary for competition policy to pay greater attention to changes in the economic situation.

Just how substantial is it under existing conditions, and to what extent can it effectively shape the industrial policy of the Community? When you pose those questions and when you see what is going on nowadays such as the rapid shuttling of blocks of shares from one company to another — and these are usually major concerns engaged in amalgamations, mergers and cooperation agreements over which Community influence is either minimal or non-existent — then I believe one has every right to have doubts.

Bonaccini

What we are in fact experiencing, I would suggest, is on the one hand a phase of renationalization of the market, with a number of quite evident examples, and, on the other, a growing degree of segmentation. Granted, we are dealing here with crisis management, but the result of that management is a strict reorganization of the market — and control over these economic activities is definitely not going to lie with the little corner shops.

If I may be permitted a historical reference, I would say that we are now heading — or at least run the risk of so doing — towards an economy more reminiscent of Europe between the wars than of that extremely open, free market, mentioned just now by Mr Beazley, which can offer expansion. This is the real situation within a number of important sectors of our industry, agriculture and services.

This is what gives us the right to demand of the Commission and its staff, and of the Parliament itself, that it take a resolute step forward in this direction. Why on earth is all this happening? Why this growing recourse to State aids? In this context, it would be very worthwhile if the Commission were to compile a full and precise list of all the ways in which central and local governments have indulged in these practices. At that point it seems to me we then have to enquire into the economic basis for all this. That there is an economic crisis is indisputable, as is the Community's evident inability to manage even when optimal solutions are worked out as they have been here. We are giving no adequate response to unemployment, and other problems are emerging — for example the mergers I mentioned earlier — which we do not know how to deal with. The result is a range of potential difficulties in both traditional and innovative sectors that are not clearly covered by Community industrial policy.

At this point, the stupidest reaction — I couldn't agree more with you Mr Beazley — and the easiest one is to invoke protection at national level and the payment of State aids. Not only do these measures not resolve certain problems, they actually aggravate them.

This is therefore the time for us to ask everybody to realize that it is no use continuing to cry over spilt milk. The vital thing is to prevent it boiling over. This means creating energetic intervention mechanisms which can contribute to a new impetus and a new start for Europe, restore faith and reestablish the market and legal conditions needed if a proper market and competition policy are to be of real value within our Community.

Mr Romeos (S). — (GR) Mr President, if the motion for a resolution which we are discussing this evening remains as it stands and is not substantially modified in line with the proposed amendments, it will probably suffer the same fate as the von Bismarck report. This is because the conservative majority in the Committee on

Economic and Monetary Affairs, which basically submitted this resolution to the plenary sitting, has presented in new garments the old philosophy of a Europe geared to industry and capital. Nobody doubts that competition policy can help economic recovery, but only provided this policy is not an end in itself, provided it is not an ideology as the motion under discussion would have it. Who will benefit from competition of this kind, free of control and restrictions? The workers and unemployed perhaps, as the advocates of this policy openly but hypocritically claim? Certainly not. Then who? For this is the crux of this evenings debate. When proposals are made for abolishing state undertakings and for supporting cartels, i.e. private monopolies, with no corresponding controls and mechanisms for protecting the consumers, can we speak of a policy which will solve the problem of unemployment. Is this a policy which will protect consumers? Certainly not. The claim made at the end of the first paragraph of the motion, that all those who participate in the working of the market, will be able, with the day to day consent of millions of people, to determine the development of the supply of goods and services, is comic, to say the least. In an open and uncontrolled market, who will lay down the law? The consumers? Certainly not. With a view to integrating the internal market it is even proposed that all protection and state initiative be abolished. And all this precisely at a moment when certain countries in the Community, the countries of southern Europe, have just started on the road to development and, most importantly, at a moment when these countries are called on go pay for the enlargement of the Community by restricting their agricultural production. We say yes to competition, but under fair conditions. However, how can these conditions be assured? When the industrial North openly admits that it is striving and fighting for the enlargement of the Community, purely and simply in order to conquer the Spanish and Portuguese markets, at the very time when it refuses to contribute to financing the Integrated Mediterranean Programmes which to a certain extent will counterbalance the drawbacks of enlargement?

Mr President, we cannot speak of a market economy without convergence of the economies. We cannot speak of competition policy without strengthening the structural policies and abolishing the differences in development. We cannot speak of privatization of state enterprises while leaving the private monopolies untouched. I believe and fear that the policy proposed in the motion for a resolution may lead to the recovery of certain multinational companies, but primarily in a Europe of many speeds, in a Europe in which the workers will be the ones to lose.

Mr Chanterie (PPE). — (NL) The first observation I would like to make is that we have, during the course of this debate, achieved a considerable degree of unanimity among the various Members present this evening. On listening to the rapporteur, Mr Gautier,

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and then to Mr Franz, Mr Beazley and Mr Bonaccini, I think it is fair to state that we have already been able to achieve a very large measure of agreement this evening and this is, in itself, a very positive feature.

Secondly, Mr President, I would like to quote quite briefly from the interesting book published under the responsibility of Mr Andriessen, i.e. the Thirteenth Report on Competition Policy. I regret having to quote something about which I spoke earlier, but this is because I would like Mr Andriessen to give me a very precise answer this evening.

In discussing the inventory of aids to the textile industry, the report states that 'the Commission is currently drawing up an inventory of all aid, specific, general or regional, that was granted to the textile and clothing industry in Member States between 1980 and 1982.' It then goes on to say: 'The inventory should be completed in the early months of 1984. The Commission intends to update the inventory regularly in order to create the greatest possible transparency.'

I must repeat the question, Mr Andriessen. It is now the end of 1984 not the beginning. Do you have any idea when this study or this Commission inventory will be completed, when it will be put before Parliament and when we will be able to debate it? Because, and this is the point I want to make, Mr Andriessen, until this happens it is not really possible to say that competition is being distorted in a particular country — although the Commission is, for example, levelling this charge at the aid measures taken to help the Belgian textile and clothing industry. Moreover, I want to point out that Belgium is the only country to have been completely open and above board in so doing. We've talked about a five year plan, and it is now being suggested that this invalid, struggling back to partial consciousness after a lengthy coma, has to be denied all further help. I can no longer accept such an inconsistent attitude. Indeed, I would like to point out that in Flanders the way that the development zones have so far been demarcated actually produces organized distortion of competition in Belgium. That can't be allowed to continue! The review procedure for development zones must be initiated and, in the meantime, approval given for a greater number of job creation zones in Flanders.

Mr Patterson (ED). — Mr President, could I begin by apologizing to the Commissioner for the fact that about 98% of this Parliament don't seem to appreciate the importance of this debate. The reason why it is important is contained in the first sentence of the explanatory statement of Mr Gautier's report, where he says: 'The Thirteenth Report does justice to the dialogue with the European Parliament to an exceptional degree'. It is to the credit of the Commission that it does take notice of what we say in this debate, includes it in reports and acts on it. It is for that reason that it is rather disgraceful that we are debating it at this moment with so few people present.

Having said that, could I also go on and wish Mr Gautier well in his negotiations. Because what Parliament says today is important, it is also important that we speak clearly and with one voice. I hope very much that we can all be on the same side when we come to vote tomorrow. And if the matter of contention is a matter of whether employee representatives should be consulted before crisis cartels are set up, then my group is perfectly happy with the formulation in paragraph 16 of the explanatory statement provided the employees' representatives are genuinely representative and not somebody else.

The Gautier report is based on a very good report, the Thirteenth Competition Report. My only regret is that it has rather too many split infinitives in the English version. I want to put three questions in my remaining 30 seconds.

First of all, does the Commission agree that if illegal aids are to be repaid they should be repaid to the Community budget and not to national exchequers? This is something which I think is really rather important.

Secondly, can he assure us that when block exemptions are granted, as we are now seeing in the case of motor distribution, the Treaty is fully carried out in the matter of consultation with consumer representatives? I should be interested to know systematically at the time block exemptions are granted which consumer representatives are consulted.

(Interruption by Mr Gautier)

Are they representative consumers — that is quite a good point, Mr Gautier, yes!

The third and final point is that I welcome the matter of comfort letters. There is now some legal certainty being introduced. We welcome the fact that slightly more legal certainty is being introduced, but would the Commissioner agree with the conclusions of the Committee on Legal Affairs and Citizens' Rights, which are very important, to the effect that the Commission must take an active part when national courts are brought into the matter, when legal action takes place in spite of the Commission's comfort letters? Will the Commission indemnify those who have received those comfort letters?

These are three points which I think he might clear up in his statement.

Mrs van Rooy (PPE). — *(NL)* Mr President, if we compare the report on competition policy now before us with the first report under this Commission, there is a clear difference in tone in a number of areas. This change in tone is a positive reflection of the development of competition policy as implemented by the Commission over the past four years.

van Rooy

That is particularly true of State aids. This Commission has clearly learnt from the mistakes made during the 1970s the period in which the virtually uncontrolled expansion of State aids, particularly to less viable companies, first commenced. The Community paid dearly for this short-sighted policy since the payment of valuable public funds to insufficiently viable companies eventually resulted in the loss of tens of thousands of jobs, including those in companies that would have been viable had they not faced unfairly subsidized competition. Additionally, the ease with which subsidies could be obtained unfavourably influenced both the performance of companies and their readiness to take risks — it was all too easy to rely on the government for support.

My group considers that the Commissioners with primary responsibility in this field (in the first place, of course Mr Andriessen but also Mr Narjes) should be congratulated on the active and consistent policy pursued in recent years to stop the State-aid 'race' and to come to grips with these innumerable State aid measures. It was indeed no small task to persuade national governments to make major cuts in State aids and it meant in many cases that the Commission was left to carry the can — a less than pleasant role but one it nevertheless accepted.

Incidentally, one of the first things that Mr Andriessen's successor must realize is that the objective of eliminating all State aids that cause unfair competition is still far from being achieved. I would point out, for example, the so-called 'transparency directive', which is designed to make it much easier to keep track of the financial relationships between state-owned enterprises and governments. The new Member of the Commission for competition faces the bracing challenge of achieving real and complete application of this directive.

Furthermore, Mr President, there is clear evidence of better coordination between competition policy and industrial policy and this is nowhere better expressed than in the proposed research and development regulation. This regulation can contribute very significantly to improving the competitive position of European businesses with respect to the United States and Japan. It is important that that section of competition policy concerned with cooperation between businesses be placed in the perspective of a competitive position on the world market.

On behalf of our group, I would like to wind up with a word of praise for your constructive cooperation with the Parliament and, as many speakers have done before me, by expressing the hope that your successor will continue this policy.

Mr Cassidy (ED). — Mr President, may I add my voice, on behalf of the European Democratic Group, to those who have congratulated Mr Andriessen and

his staff on the production of this magnificent work, which deserves to be a bestseller. I hope he has succeeded in selling the television rights and the paperback rights and all the other things which go to making a successful publication, because there is a great deal in this volume which should be read and learned by the governments of Member States.

I hope that when we come in 12 months' time to discuss the 14th report on competition policy, produced by Mr Andriessen's successor, much more of it will be devoted to the subject to which so many people have referred this evening, and that is the way in which nationalized undertakings in Member States consistently act contrary to the Treaty of Rome and consistently act in an anti-competitive way. One of my colleagues in the European Democratic Group, Lord Bethell, has personally tried to fight the battle on, for example, the question of air-fares and the scandalously high level at which they are maintained in Europe when compared, for example, with the United States. All of us in this Parliament suffer from the fact that our PTT — our telecommunication undertakings — charge exorbitant prices for telephone calls and in many cases restrict competition for telephone calls and telecommunication services, something which, in our country, at long last our government has taken some first faltering steps towards correcting.

Why should there not be competition, for example, in the carrying of letters? Why should there not be competition, for example, among electricity supply undertakings? If, for example, Electricité de France can ship electricity through the Franco-British Channell electricity link and sell it more cheaply in England than our Central Electricity Generating Board can produce it, why not? After all, the concept of a common market is one which applies to Member States and Member State undertakings just as much as it should apply to private-sector undertakings.

As you will know, in the Committee on Economic and Monetary Affairs we did not, unfortunately, have the same degree of consensus that we appear to have had this evening in this debate. It is a matter of some regret to me and my colleagues to find ourselves in disagreement with people like Mr Rogalla and Mr Gautier, and I hope they will not take amiss what I am about to say — namely, that we regard them as the sensible voices of socialism. It is significant that they are both still here along with Mr Bonaccini while all of those noisy British Labour Members who are such a disruptive force in the Committee on Economic and Monetary Affairs are absent. I believe that Mr Gautier, Mr Rogalla and Mr Bonaccini and the people on this side of the House who have spoken are genuinely committed to the idea of free competition in Europe, which is, after all, what the European Economic Community is all about — free competition which applies to State enterprises as much as it applies to private enterprises.

Mr Andriessen, Member of the Commission. — (NL) Mr President, I am grateful to the European

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Parliament for deciding to include a debate on the Thirteenth Annual Report on Competition Policy on the agenda for this crowded December Part-session. I am thankful to have the opportunity, at the end of my term of office, to make a few comments on this extremely important and central issue in this Parliament in which, during the past four years, I have had the privilege of conducting such fruitful discussions. I realize that this in turn means accepting that the debate will be under great time pressure, not only limiting Parliament in saying what it would probably liked to have said, but also hindering me from telling Parliament what I would have liked to have said on this subject.

What I definitely do want to say is how pleased I am that Parliament, all those years ago, took the initiative in inviting the Commission to publish an annual report on competition policy and to discuss the subject every year with the Commission. I believe that this has been extremely significant in the development of competition policy, and I can only hope and wish that my successor to this important portfolio will be as anxious to carry on the fruitful dialogue with Parliament.

I am sure you will understand if I make use of this opportunity to comment on the period under review and I shall attempt, as far as possible, to link remarks made in this debate with the various topics. I believe it is fair to say that, during this period, competition policy has been characterized by three main concepts: more intensive legislative activity, modernization and expansion. I would like to discuss all three of these.

Firstly, an intensification of the Commission's activity. We have attempted to do this not only by drafting legislation, but also in our individual decisions, and here I am thinking not only of competition policy in the narrower sense of the word but also of State aids — a topic given serious attention by many speakers in this debate.

I am not going to list all the proposed legislation or all the decisions that we have taken. There are far too many. I can, however, inform you that the Commission decided this morning to approve the block exemptions for the distribution of motor vehicles, so that with effect from, I think, 1 July next year, this specific regulation will also be part of Community law. You know that the past four years have seen a large number of regulations, as we sought to make our legislative policy more intensive. This was the case with our policy on subsidies, which we tried to limit as far as possible, and in the textile industry, for example, we have virtually succeeded in ending the payment of subsidies to the European textile industries. This is also true of the requirement that aid measures for research and development should be transparent, and I hope that a publication on this subject can appear before the end of this Commission's term of office. We have also prepared a similar publication on energy policy, where we have also tried for more intensive action.

While we are on the subject of State aids, you will find in the latest Commission publication an article giving its view of national governments holding shares in companies. Having listened to this debate, I am sure it is fair to say that the majority of those here present will be able to identify with the Commission's viewpoint. I think that activity in this field can be extended even further in the future, for example where joint ventures are concerned, since this is a field in which a similar Commission publication could be very useful.

Finally, and this is very important Mr President, I would point out that we have accepted an arrangement to simplify the assessment of cases of State aid in order to be able to give those involved a much earlier statement of the Commission's position. I do not intend to go into figures this evening, but it is probably still advisable to quote one figure in connection with State aids. During the last four years, more than 700 cases of State aid to companies or sectors were notified to the Commission. More than 700, Mr President. In almost half of these cases the Commission began an inquiry, and in no small number of them its final response was no — it refused to agree to the aid measures. In very many of the other cases, where the Commission could finally express its agreement, the Member States concerned made major changes during the course of the proceedings, with the result that the aid scheme concerned could be considered compatible with the policy adopted by the Community and the Commission. I will go into this in more detail, because it has become apparent from the many remarks this evening how much Parliament wants the Commission to implement a restrictive and stringent policy in these matters.

In this context, Mr President, on the question of what we have done with the textile industry, I have to inform the honourable Members that there has been a delay in obtaining information, and that we have consequently requested additional information from those Member States still behindhand in delivering it, so that we can keep the report up to date. In other words, we have asked for information covering the period up to a later date than that named in the original proposal. As I told you, I hope and expect that 1 January 1985 will see the end of all aid to the textile industry in the Community.

Mr President, we have tried to put our competition policy more in tune with economic reality, not only by placing greater emphasis on market integration, but equally importantly by achieving a better distribution of the sources of economic aid and by strengthening European industry. Within our competition policy we have also tried to achieve greater legal certainty for those affected by proceedings: a) through the legislation I mentioned and b) by instituting a number of changes in our procedures. Particularly important among these changes, which have also been noted in what I regard as a thoroughly excellent report by Mr Gautier, are those concerning the procedure, access to

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files on those involved, and the inclusion in the procedure of the hearing officer, who is involved with all matters to do with hearings, and Parliament's suggestion to enlarge the terms of reference of this official seems to me to be one that could be very profitably studied by the new Commission. All are intended to reduce the uncertainty criticized by many in this Parliament during the past four years, and I believe that we have achieved considerable progress in this field.

While on this subject, I would also like to talk about the transparency of our policy. In the past the criticism was often voiced that competition policy emerged from a Commission shut away in an ivory tower. I think it is fair to say that this Commission has thrown open the doors and windows and has begun an open dialogue with Parliament, with the Economic and Social Committee, as well as with other representative bodies and with individual companies. I believe that progress has been made in this field as well.

I believe it would indeed be a major step forward in the application of competition law if we could persuade national judiciaries, and those in organizations coming under their jurisdiction, to be involved in the application of Community law, and I am grateful that the statements of the European Parliament provide support for my belief that progress will have to be made in this area during the term of office of the next Commission.

Mr President, in this context I would also like to say that the Commission would probably be well advised to investigate how a number of the procedural amendments mentioned in your rapporteur's report could be incorporated by supplementing the existing procedural regulations — and here I will give you a figure, because it is the most concrete example: number 99/63 of the Commission. I think it very possible that my successor will want to take action on this point.

Mr President, during our term of office we have tried not only to achieve more intensive competition legislation and to modernize, it but also to expand it particularly to include the sector, or sectors to be more exact, of banking and insurance. We have taken a decision to exempt insurance companies and recently also decided to exempt Eurocheques. I would like to add that it is certainly not our intention just to approve exemptions, and to prove this I would like to state that, a few days ago, the Commission made its first negative decision in a German case involving horizontal agreements in fire insurance. A number of other cases are currently being examined.

In addition, the Commission has expanded its activities to include the high technology sector such as telecommunications and computers. The first decision has already been taken by the Commission in the British Telecom case, and it decided to stop the proceedings begun against IBM once IBM had promised to alter its sales methods within the Community.

Mr President, in view of the criticism voiced on this matter by the House, I would like to point out that I did tell the Committee on Economic and Monetary Affairs that I would see that it was informed about this matter. I hope that that has since happened and if not, it will happen very soon. I would go on to point out, and this with all possible clarity, that the Commission has not been accustomed in the past to asking Parliament's prior opinion before taking decisions in individual cases. Such action falls within the competence of the Commission although, of course, the Commission is later accountable to Parliament for the policy it has adopted.

It has, unfortunately, not proved possible to introduce effective competition rules in air and sea transport. For the last few days I have been shuttling between Brussels and Strasbourg because of a meeting of the transport council where both sea and land transport featured on the agenda. I regret to have to inform you that it has not been possible to achieve any progress in the Council on this point. That also applies to the monitoring of concentrations of companies, in which field I did make an attempt and followed Parliament's advice, but where the Council could not finally reach a decision on this point. Having said that, I would emphasize that, if it proves impossible to create a new Community instrument for controlling concentrations, the Commission will have to review whether it can try to come to grips with this development by declaring existing treaty instruments, particularly Articles 85, 86 and 90, applicable in such cases.

President. — Mr Andriessen, I do not want to stop your speech, but the staff have worked for a couple of hours longer than they should have done today already. Could you assure me you can wind up in a few minutes? Would that be possible?

Mr Andriessen, member of the Commission. — Mr President, I will do my best. I think the subject deserves more time than apparently is available, but, of course, I am in your hands and I will follow your suggestion to finish in a very few minutes.

That means, Mr President, that, having made these comments on aid to industry, I will restrict myself to this general philosophy. We have attempted to achieve a measure of codification and transparency in the field of State aids, but I will admit, even after all that we have achieved, that this field is one in which much still remains to be done by my successor.

While on the subject of State aids, I would like to comment on a very recent decision by the European Court of Justice on a specific decision taken by the Commission. In this instance, the Court's decision in the Intermills case, the Court recognized that governmental purchase of shares in a company could, in itself, contain some element of aid, but it was not pre-

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pared to accept the Commission's specific decision in this matter since, in the Court's opinion, the Commission's decision was flawed by internal inconsistencies and was inadequately justified, so that this specific case did not meet the essential requirement that it be given due consideration by the Community.

Mr President, a number of Members have spoken about the need to involve consumers and trade unions to a greater extent in competition policy. I would like to point out that, in the case of the motor vehicle regulation for example, extensive discussions were held with consumer representatives. As far as the involvement of the trade union movement is concerned, it is the Commission's responsibility to judge whether a restructuring project within a crisis-hit sector complies with the targets set for the reduction of the surplus capacity concerned. In so doing, the Commission examines how the sector as a whole has tackled the orderly reduction of capacity. We are therefore prepared to receive submissions from the trade union movement, but I believe it would be somewhat excessive to accord the trade union movement a formal role in such procedures.

Mr President, regretfully, since I would also like to have used this opportunity to make a number of other comments, I will now close by saying how grateful I am for the particularly constructive working relationship I have enjoyed with this Parliament over the last four years and by wishing my successor the same cooperation. At the same time, I would like to take this public opportunity of expressing my appreciation for the way that the personnel of the Commission have contributed over the past four years to the formulation of an acceptable competition policy.

(Applause)

President. — I am sorry that we ran out of time, Mr Andriessen.

Mr P. Beazley (ED). — Mr President, I wonder whether we could ask through you that in view of the shortage of time and the lack of opportunity for the Commissioner to give us his full answers and report, it might either be published in the official report of this

debate or, alternatively, that he might be kind enough to circulate it to us and, if possible, in languages other than Dutch.

May we compliment him and thank him for all he has done?

Mr Andriessen, Member of the Commission. — *(NL)* Mr President, you know that I would, in view of the pressure of time facing Parliament, have made just such a proposal. I would be only too pleased to provide a very rapid and complete answer to all these questions, so that it can be either included in the report of these proceedings or sent to members, because I find it unsatisfactory that pressure of time should force the closure in this way of such an important debate.

President. — The debate is closed.

The vote will be taken tomorrow at 7 p.m.

Before I close the sitting, Mr O'Keefe has a brief statement to make as President-in-Office of the Council.

Mr O'Keefe, President-in-Office of the Council. — Thank you, Mr President. May say that as President-in Office of the Council I have waited here to this hour beyond midnight to reply to an oral question put by Mr de la Malène on behalf of the Group of the European Democratic Alliance. In view of the fact that there is not sufficient time to have the debate at this stage, may I say that I wish to circulate the reply in writing for the record.

Mr van Aerssen. — *(DE)* Mr President, the Christian-Democratic Group would like to thank Mr Andriessen, most sincerely for his work and his personal involvement. We hope that he will be able to distribute the text of his reply in German.

(Laughter)

The sitting was closed at 12.10 a.m.)¹

¹ *Agenda for the next sitting: see Minutes.*

ANNEX

1. Questions to the Commission

Question No 7, by Mr von Wogau (H-246/84)

Subject: Increased cost of Italian customs formalities

According to figures produced by the Italian Trade Association for the transport and communications industries, long-needed staff increases will mean that the charge for each lorry cleared through Italian customs posts will go up by around 10 000 lire.

Does the Commission consider the increase in customs clearance fees in Italy compatible with the objective of the early implementation of an intra-Community internal market, which has been repeatedly emphasized not least by the Heads of State or Government?

Answer

I should like first of all to point out that in the short time available the Commission has not managed to obtain a detailed explanation of the facts described by the honourable Member.

The Commission assumes that the fees referred to by the honourable Member are those usually applied in Italy, as well as in other Member States, for customs checks on goods outside normal office hours. Such fees are used to pay the officials concerned an overtime bonus. The previous fees have been raised to Lit 10 000 (DM 17.50 or Bfrs 350), as far as the Commission knows, in order to allow for inflation, with the result that the fees which were last fixed in 1978 have been nominally doubled.

Like the honourable Member, the Commission regrets that such fees are charged at all, but it must point out that under Community law there is nothing to prevent such fees being charged at present.

As you are aware, the aim of Commission policy is the total removal of internal borders in the Community. If this is achieved, no fees of any kind will be chargeable at the borders in future.

In an initial phase it is intended to speed up the individual checking process by simplifying the procedures and formalities (e.g. the 14th Directive), which will mean that as many goods as possible can be dealt with during normal office hours. Particularly Directive 83/643/EEC on the simplification of checks and administrative formalities for cross-border goods traffic, which is due to come into effect on 1 January 1985, should in this respect produce lasting improvements, since it provides in particular for longer opening times at the most important intra-Community border crossings (at least ten hours without interruption from Monday to Friday and at least six hours without interruption on Saturdays). Consequently, from the above date on, the increase in fees referred to by the honourable Member should have only limited economic effects.

In conclusion I should also like to point out that it is already possible to send goods by the transit procedure directly to an internal customs office in Italy or any other Member State without incurring any fees when the goods cross the border, whatever the time.

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Question No 8, by Mrs Larive-Groenendaal (H-247/84)

Subject: Implementation of Directive 79/7/EEC on equal treatment in matters of social security

Next year the Netherlands will be adapting their legislation to the EEC directive on social security by making the regulations concerning the payment of unemployment benefit, which discriminate against women, applicable to men who are not breadwinners.

Does the Commission not think, in view of its own pronouncements on this subject, that the number of men affected by this apparently impartial regulation (roughly 2 000) is so small in comparison to the number of women who are not breadwinners (roughly 26 500) that there are serious grounds for regarding this as a case of indirect discrimination in the guise of adaptation to European legislation and, if so, can the Commission state whether it intends to take steps to put an end to this discrimination as soon as possible?

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Question No 9, by Mrs Van den Heuvel (H-252/84)

Subject: Law on unemployment benefit in the Netherlands (WWV)

Now that the proposals concerning social security payments in the context of the Law on Unemployment Benefits (WWV) in the Netherlands have been put into practice and this law has been declared inapplicable to non-breadwinners (mainly women), can the Commission inform the Dutch Government that such measures are incompatible with its obligations under Directive 79/7/EEC in that they constitute a clear case of indirect discrimination and what further steps does the Commission intend to take?

Joint answer

I am grateful to the Honourable Members for raising this matter today, which gives the House and the Commission the opportunity to draw attention to an important development in the coming days, namely the entry into force of Directive 79/7 on equal treatment in the field of social security. The long period allowed for the implementation of this directive — six years — is one measure of the complexity and importance of the matter.

The question concerns specifically the Dutch Government's bill. I must make clear first that the Commission can only establish a formal position with regard to a new law, in fulfilment of its responsibility for ensuring the respect of Community obligations, once that law has been definitively adopted. That being said, the Commission does, nevertheless, regard it as useful for governments to consult the Commission before adopting legislation intended to implement Community provisions. It was in this spirit that I asked the Dutch Government to provide the Commission with the text of the draft interim law referred to by the Honourable Members and this they have now done.

I have recently written again to the Dutch Minister reminding him of the binding obligations which flow from Community legislation in this area, in particular Directive 79/7 with effect from the 22nd of this month. I have also drawn his attention to the Commission's interim report on the implementation of the Directive in which we expressed strong reservations about the compatibility of the notion of a 'breadwinner' with the principle of equal treatment. I also underlined the relevance of the European Court's ruling in the case of *Mrs Jenkins v. Kingsgate* which, while it concerns the somewhat different area of equal pay, does lay down certain criteria concerning the notion of indirect discrimination and measures which have their impact preponderantly on one sex or the other.

As a matter of policy rather than of law, I feel bound to add that the Commission deplores any measures in the field of social security the effect of which — whether intentional or not — is to incite women to withdraw from the labour market. It also deplores any tendency to use the obligation to introduce equal treatment as a pretext for harmonizing downwards.

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Question No 10, by Mr Ford (H-262/84)

Subject: Commission on currency exchange

Can the Commission list any directives limiting commission that can be charged for the exchange of one Community currency for another in banks and other offices where currency exchange takes place?

Answer

1. There are no Community directives restricting the commissions which may be charged on the exchange of one Community currency for another in banks or other organizations conducting such transactions.
2. Nor, as far as the Commission is aware, are there any national regulations which govern this matter.
3. Nevertheless, the Commission is concerned about the levels and transparency of commissions charged by banks and intends to examine these questions more deeply, notably in conjunction with the 'Committee of Credit Associations', established under Commission auspices.
4. Bearing in mind the necessity of preserving the conditions of competition among banking establishments, the Commission does not intend to fix the rates of different banking commissions by Community Directives.

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Question No 12, by Mr Van Miert (H-277/84)

Subject: Amended proposal for a Council Regulation (EEC) concerning financial support by the Community in favour of industries producing solid fuels

This recent proposal from the Commission stipulates, among other things, that investment projects will be eligible for support only if they relate to existing hard-coal mines, the underground productivity of which, before investment, in the period 1980-1984 amounted to at least 420 kg per man-hour on average in three consecutive years, or to new capacities the expected productivity of which is at least 800 kg per man-hour.

The Commission has thus seen fit to apply even stricter criteria despite the criticism levelled by the European Parliament in March 1984 at its earlier proposal which referred to underground productivity, before investment, of at least 380 kg per man-hour on average or, in the case of new capacity, estimated productivity of at least 600 kg per man-hour.

This means that the Commission is excluding the coal mines in the Campine from investment support. On the basis of what criteria did the Commission arrive at its proposal, why has a single linear criterion been applied to all mines and why is underground productivity the sole factor taken into account? Was consideration given to the importance of the coal mines in the Campine for the Province of Limburg, where 26% of those covered by unemployment insurance are out of work?

Answer

In order to deal with the different questions raised by the honourable Member, we should recall that it is the intention of the Commission to improve the economic viability of the Community's coal industry. In view of the different financial positions of individual pits, this means that profitable pits and those with marginal losses should be encouraged to expand production and increase their productivity and profitability by means of Community aids to investment. Pits which, by contrast, cannot hope to become competitive in

the future, by reason of very high losses and low productivity, should not participate in Community-wide investment aids. The Commission has taken the view that Community money should be provided to help with social consequences of restructuring, and secured a Council Decision providing an extra 60 million ECU for this purpose for 1984, by means of a transfer from the EEC budget.

In its original proposals, the Commission had provided 300 million ECU per year for investment aid. Due to budgetary difficulties, and in the light of discussion in the Council, the Commission was compelled to reduce this amount to 200 million ECU and *as a consequence the criteria for eligibility for investment aid had to be made more strict*, i.e. the threshold for minimum productivity had to be increased.

As regards the adoption of productivity as the *sole criterion* for eligibility, it should be stressed that this applies to all mines in the Member States; that it is a technical criterion which shows a fairly stable development; and that it can be calculated on a internationally comparable basis. This would not be true of economic criteria such as production costs or final prices. Prices cannot easily be compared internationally because, for example, of changes in the exchange rates of different currencies, and also market fluctuations from other causes.

The reason why the Commission decided to calculate productivity solely for underground operations was that it would not be possible to apportion surface operations to the different pits which they serve in common.

Finally, the problem of unemployment in the province of Limbourg is one of which the Commission is very much aware, but which should be dealt with within the area of regional or social, rather than energy policy. As I have said, 60 million ECU have been provided for extra Community social action in 1984.

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Question No 13, by Sir James Scott-Hopkins (H-279/84)

Subject: Financial support to small businesses

What the European Commission intends to do to ensure that all small businesses in Herefordshire, Worcestershire and West Gloucestershire are eligible to receive financial support from the European Regional Development and Social Funds and the European Investment Bank, which will facilitate industrial expansion and the creation of new jobs?

Answer

Of the various financial instruments referred to by the honourable Member, only the EIB and the European Social Fund can contribute to the strengthening and development of small and medium-sized undertakings (SMUs) situated in the areas in question.

These areas, which do not receive State aid for regional purposes from the Government of the United Kingdom, do not fall within the field of application of the Regional Fund.

The Commission would point out at the same time that investments by small and medium-sized undertakings in the areas in question may be entitled to aid from other financial instruments, for example the new Community instrument or the EAGGF Guidance Section.

The Commission assures the honourable Member that it uses all the financial resources at its disposal for the development of small and medium-sized undertakings in compliance with the purposes and procedures of each of the existing financial instruments.

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Question No 15, by Mrs Chowraqui (H-290/84)

Subject: Fall in the birth rate in Europe

Since the fall in the birth rate in one of the most crucial problems facing the European Community and in view of the lack of coordination in the social policies of the Member States as regards population trends, can the Commission indicate, as a matter of urgency, what proposals it intends to put forward for a Community policy in this area?

Answer

Clear differences of opinion exist between Member States as to whether the falling birth rate in Europe is an appropriate matter for public policy. This emerged at the Informal Council of Social Security Ministers held in Paris on 5. April 1984. Ministers were nevertheless agreed on the need to examine more closely the implications of demographic trends, especially as regards the labour market, social security and family policy. Subsequently the Council agreed on conclusions concerning a Community medium-term social action programme which include a decision to hold regular exchanges of information on the development of family policy and the effects of population trends as well as the consequence of ageing. The Commission has been invited for this purpose to initiate the necessary studies.

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Question No 7, by Mr Pasty (H-301/84)

Subject: Sudden rises in the price of petrol in France

Can the Commission state whether the considerable — even excessive — rises in the price of a litre of petrol in France in recent months are compatible with the EEC Treaty, in particular Articles 101 and 102, and the Community's energy strategy insofar as they are a veiled form of taxation, whereas the oil market and the price of crude oil show a downward trend and the dollar rate has played only a marginal role in these rises?

Answer

(a) The Commission notes that the prices charged at the pump for premium petrol in France increased by about 9% between 11 June 1984 and 11 October 1984. These increases are due mainly to a rise in ex-refinery prices (+6.20%), which are calculated on the basis of European exchange rates, and in French refineries' production costs (cost of crude oil supplies), as well as a tax increase (12%).

(b) Under the energy policy, any increase in consumer prices which reflects supply costs is in keeping with the principle of realistic price formation as laid down in the various resolutions adopted by the Council. As regards the effect of tax measures, the Commission has just sent the Council, on 18 September 1984, Communication COM(84) 490 Final, in which it states, among other things, that in view of the considerable differences in tax rates applied to the various energy sources, the debate on the harmonization of excise duties on mineral oils should be reopened.

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Question No 18, by Mr Vernier (H-302/84)

Subject: The world shortage of firewood

Is the Commission aware that, according to recent estimates by the Club of Rome, 100 million people in the world are no longer able to meet their most rudimentary energy

requirements and the area covered by forest will decrease by 40% in the next 30 years, and has the Commission recommended any appropriate Community action to remedy this situation, as Parliament has proposed on numerous occasions?

Answer

The Commission has been aware for some years of how serious the problem of firewood in the developing countries is. Several operational instruments are available to the Community, the most important of which is the Lomé Convention.

It was necessary, as a first step, to make the ACP countries more aware of the need for projects relating to firewood. Despite the difficulties, the Commission has always supported the implementation of reforestation projects, and since 1975 it has given its backing to specific projects for saving domestic firewood (improved wood-burning stoves), together with alternative fuel programmes (introduction of new technologies, recuperation of wood and cellulose waste, and the use of gas and coal).

As a result of the launching, in 1983, of the special programme to combat hunger in the world, which includes a firewood project, it has been possible to carry out a systematic project achieving wider impact and yet costing relatively little (2 700 000 ECU under Article 958/83). This project, which is currently underway, should be further extended next year under the new Convention with the ACP countries and as a result of the Commission's budgetary resources (Article 933 for cooperation to assist the non-associated developing countries in the field of energy).

The new ACP-EEC Convention already highlights this problem by treating it as a priority aspect. It is thus up to the Commission to exercise firmness in selecting its energy development projects, which will have to be geared mainly to the most sensitive sectors, since firewood is an integral part of the economies of many developing countries.

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Question No 19, by Mrs Ewing (H-311/84)

Subject: Ferry services in peripheral areas

Will the Commission state whether ferries will qualify for regional aid under the new ERDF Regulation and, if so, will the Commission stipulate whether funds will be available to offset the operational costs of ferries in the Community's peripheral areas?

Answer

As regards aid from the Regional Fund for investments in ferries, the new ERDF Regulation,¹ which comes into effect on 1 January 1985, does not involve any changes regarding participation in movable infrastructure projects, which is the category which would apply to ferries.

The Commission has received applications for ERDF aid for this type of project and is examining them in the usual way.

As for operating costs, they are not taken into account since the ERDF can only participate in the capital costs of such projects.

However, the new Regulation introduces the concept of Community programmes, and in this context the possibility of aid to offset operating costs is not excluded if certain conditions are met.

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¹ OJ No L 169, 28. 6. 1984.

Question No 20, by Mr Balfe (H-319/84)

Subject: Unemployment and social distress in London

Accepting that the principal causes of unemployment and social distress in London are the fault of the British government, can the Commission suggest means by which further aid could be given to London?

Answer

As has already been stated in the answer given to Mr Balfe's oral question (H-15/84) on 25 May 1984, the London area is not regarded from the Community's point of view as a priority region because of its overall economic situation. It follows that the aid which the Community can offer through its financial instruments is relatively limited.

- As the London area does not benefit from a national system of aid for regional development operated by the United Kingdom government, it cannot have recourse to the Regional Fund.
- The possibilities for assistance from the Social Fund are limited to the types of measures without regional restrictions as defined in the Social Fund guidelines. These measures include: vocational training directly linked to obtaining a contract of employment; vocational training directly aimed at stable employment in SMEs to promote applied research and the development of new technologies; measures undertaken in the framework of local employment initiatives; measures intended specifically for women who are unemployed, under-employed or threatened with unemployment; measures to promote vocational training for handicapped people capable of entering the labour market.
- As for the financing of investments by the EIB, projects in the London area must, in order to be eligible, be of interest to all Member States or relate to the restructuring or modernization of firms. In addition, the New Community Instrument for borrowing and loans enables the Community to lend to small and medium-size enterprises regardless of their location by means of global loans granted to financial intermediaries. Firms in London may apply for such loans.
- Finally, in addition to these 'horizontal' measures, the sectoral financial instruments should also be mentioned, in particular aid for research and for demonstration projects in the fields of energy and the environment. Such projects can also lead in time to the creation of employment.

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Question No 21 by Mrs Cinciari Rodano (H-359/84)¹

Subject: The situation of women in developing countries

Can the Commission tell the European Parliament whether the next Lomé Convention will contain a section on the situation of women in developing countries and, if so, what its general tenor will be and can it specify what topics in particular would be covered by this section which, according to press reports, would be subsumed under the wider heading of socio-cultural cooperation?

Answer

For a number of years, the Commission, in conjunction with the European Parliament, the Council, national experts and various interested groups, has been examining how

¹ Former oral question with debate (0-18/84) converted into a question for Question Time.

effective account can be taken of the positive link which must be established between development and promoting the role of women.

It considers that, in addition to the improvement of the legal status of women, their material lot should be made easier in the developing countries, they should be given the chance to develop their abilities, and they should furthermore be allowed to play a positive and decisive role in the development of their countries.

It is true that the third Lomé Convention will not have a special chapter devoted to women, although the subject of women was covered repeatedly in various aspects of the negotiations.

It was dealt with in particular within the larger framework of social-cultural cooperation and the enhancement of human resources, which includes subjects such as education and training, health, research and technology, information and communication and the promotion of cultural identities.

The work in progress suggests that this Convention will contain texts of particular significance for women, notably as regards their role and interests in development projects.

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Question No 22, by Mr Cornelissen (H-373/84)¹

Subject: Kangaroo hunting in Australia

1. Is the Commission aware of press reports alleging that approximately 6 million animals are killed each year in kangaroo hunts in Australia and that the methods used mean that only half the animals are killed instantly, the remainder suffering a slow death? (TROS-AKTUA TV programme of 4 August 1984)
2. Can the Commission confirm that the official annual hunting quota is approximately 3 million animals?
3. Is it true that, in addition to authorized hunting, there is also a great deal of illegal hunting, involving extreme cruelty and the killing of many young kangaroos?
4. Can the Commission say how important kangaroo hunting is for employment and exports in Australia?
5. Can the Commission also indicate the quantities of kangaroo meat and kangaroo hides exported to the Member States?
6. Is it true that kangaroo meat is imported into the Netherlands for processing but that, at the request of the importer concerned, the relevant figures are not included in the official statistics produced by the Dutch Statistical Office?
7. Is it true that in the Member States kangaroo meat is primarily used for human consumption, which is not the case in Australia?
8. Does the Commission not share the view that this is not without some risk to public health given the real danger of salmonella contamination due to the conditions in which the animals are hunted and the meat transported?
9. If the answer to question 1 or 3 is in the affirmative, and the Commission cannot refute the facts, is it prepared:
 - (a) to open talks with the Australian authorities to ensure that a limit is set on kangaroo hunting and that no more kangaroos are shot than is necessary for good wildlife management and that cruelty is prevented;

¹ Former oral question without debate (0-19/84) converted into a question for Question Time.

- (b) should the discussions referred to above fail to produce the hoped-for result, to consider other ways of achieving the same objectives, for example by introducing a ban on the importing and processing of kangaroo meat and kangaroo hides in the Member States?

Answer

With the information available to it, the Commission cannot at present reply to or comment in any detail on the honourable Member's questions 1 to 3.

The official hunting quota for the current year is supposed to be 1 988 000 animals.

Kangaroos are hunted in Australia for ecological rather than commercial reasons. In 1982/83 exports of products obtained by kangaroo hunting were worth about 12.4 million Australian dollars.

Community statistics do not give comprehensive information on the import of kangaroo meat or products into the Community. Australian publications refer to 344 tonnes of kangaroo meat exported to the Federal Republic in 1982/83. Kangaroo leather and hides are exported mainly to France, the Federal Republic, Italy and the United Kingdom. No cases of salmonella contamination have so far been brought to the Commission's attention.

Whether the Commission can or should take action as proposed by the honourable Member in point 9 of his question, must depend on a thorough investigation of the actual facts and circumstances.

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Question No 23, by Mrs Tongue (H-251/84)

Subject: Medical Aspects of Food Policy and Diet and Cardiovascular Disease

Is the Commission aware of the report of the United Kingdom's Committee on Medical Aspects of Food Policy on Diet and Cardiovascular Disease published in July 1983 and its recommendation that fat intake be reduced and what is the Commission's view of paragraph 2.6.4. on the relation between the common agricultural policy and types of food production; does the Commission agree that the Community's decision to increase the fat content of skimmed milk, the CAP pricing system incentives to produce higher fat milk and the Commission's proposal for an oils and fats tax to encourage butter consumption all run contrary to the Committee's recommendations?

Answer

The Commission is familiar with the contents of report entitled 'Diet and Cardiovascular Disease', of the United Kingdom's Committee on Medical Aspects of Food Policy on Diet and Cardiovascular Disease, and in particular with the conclusions under paragraph 2.6.4. It is the Commission's opinion that one should view some of the recommendations of this report, in regard to the impact of diet on human health, with some degree of caution. The conclusions drawn by many medical experts on this subject, have an inherent weakness since often these studies have been based on an insufficiently large test group.

The Community never decided to increase the fat content of liquid skimmed milk but rather it was felt that the consumer should have a range of products available to him, which would meet his requirements.

The Commission in its proposal, which was adopted by the Council for the 1984/85 marketing year, underlined its wish to have a higher return from milk protein and therefore the intervention price for butter (as a consequence the support for milk fat was reduced by 10.6%).

The question of an oils and fats tax is still under consideration by the Council.

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Question No 24, by Mrs Van Hemeldonck (H-415/84)¹

Subject: Payments in ECU for frontier workers

Can the Commission indicate what progress has been made with the projects to link payments to frontier workers in the Community to the ECU (for pensions, wages and other forms of remuneration), so that they are no longer subject to the constant fluctuations in the value of national currencies?

Does the Commission not consider that it is time to give frontier workers the security of a stable income, now that the ECU is used so widely for international capital transactions, international contracts and for the payment of officials and Members of the European Parliament?

Answer

1. The Commission is not at present engaged in any studies aimed at using ECUs for frontier workers, or more generally for migrant workers. To the Commission's knowledge no studies of this nature have been undertaken by the Member States.

In 1980 the Commission examined a system recommending the use of ECUs for the payment of a single pension to migrant workers.

The outcome of this investigation showed that such a system was not feasible for various legal and practical reasons.

Moreover, two reports drawn up by the Commission in 1977 and 1980 reached the same conclusion with regard to the payment of migrant workers' pensions in one single currency.

2. It is correct that the allowances of the members of the European Parliament are expressed and paid in ECUs under a decision taken by the Community institutions. On the other hand, the determination of the currency to be used for the remunerations, pensions and other benefits due to workers, whether migrant workers or not, comes within the purview of employers and national authorities.

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Question No 26, by Mr Barrett (H-291/84)

Subject: Road Safety Campaigns

Can the Commission provide information relating to the methods adopted in the Member States relating to national road safety programmes; the amount of aid provided for such campaigns; the success or failure of such campaigns and would the Commission also indicate if Community funds would be available to support road safety campaigns?

Answer

No information is available to the Commission about Member States national road safety programmes. Until now Community funds have not been made available for such purpose,

¹ Former oral question without debate (0-37/84), converted into a question for Question Time.

but the Commission is considering proposing that Community-funded programmes should be undertaken during 1986, the proposed year of Road Safety in the Community.

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Question No 29, by Mr Nord (H-305/84)

Subject: Cigarettes in France

In reply to oral question H-643/83 answered on 13 March,¹ the Commission informed the Parliament that the French Government was fixing and officially limiting the retail prices of cigarettes instead of allowing manufacturers and importers to establish freely the prices of their products as required by Directive 72/464, a matter for which France was condemned by the Court of Justice on 21 June 1983.

What action has the Commission taken since March 1984 to ensure that the French Government will begin to allow manufacturers and importers of cigarettes the freedom to fix the prices of their products as required by European law?

Answer

Following the Court of Justice decision of 21 June 1983, the Commission, by letter of 13 July 1983, first drew the attention of France to the necessity to amend its legislation to conform with Article 5 paragraph 1 of Council Directive 72/464 of 19 February 1972.

Since the French Republic did not take the measures necessary to execute the Court's decision, as it was required to do by Article 171 of the Treaty, on 24 April 1984 the Commission opened infractions proceedings for non-respect of that Article under Article 169 of the Treaty.

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Question No 30, by Mr Cryer (H-318/84)

Subject: Railway retention and investment

Can the Commission state the means by which they encourage Member States to invest in railway retention and development? In particular, what means can they adopt to encourage the retention of lines such as the Settle to Carlisle railway, by promoting use of such lines for tourism? Does the Commission have in mind the provision of grant aid for freight use, which would be of benefit to whole Community?

Answer

The Community policy on transport aims to establish a market based on fair competition between the different modes of land based transport, i.e. road, rail and inland waterways. To this end the Council adopted Regulations (EEC) Nos 1191/69² on public service obligations, 1192/69³ on normalization of railway accounts and 1107/70⁴ on aids to transport. Within this regulatory framework Member States are free to retain or terminate railway lines and services. Decisions of this nature are left entirely to individual Governments in consultation with their respective national railway undertaking. In 1983, the last

¹ Debates of the European Parliament 1-311, March 1984.

² OJ L 156/69.

³ OJ L 156/69.

⁴ OJ L 130/70.

year for which definitive figures are available, the National Governments of the Member States paid out in compensations and aids 20 577 million ECU (12 079 million sterling).

Aid has been granted in certain countries for freight transports but as far as possible freight transportation should be a commercial operation. Further, it should be noted that aid payments under Community rules are entirely optional, individual Governments again having the executive responsibility.

Under the provisions of Council Decision 75/327/EEC Article 5 (2) Member States may make to the railway undertakings capital grants consistent with functions, the size and the financial needs of the undertaking. These grants must, however, be intended to increase the assets of the undertaking and must not constitute a deficit subsidy.

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Question No 31, by Mrs Veil (H-337/84)

Subject: Draft directive on specific training for general practitioners

Will the Commission state when it intends to submit the draft directive on the major question of specific training for general practitioners, which was already announced a year ago?

Answer

I am pleased to be able to tell the honourable Member that the Commission adopted the proposal for a Council directive on specific training for general practitioners on 21 November 1984.

The proposal will be forwarded to the Council in the next few days. The Treaty lays down that the Council must obtain the opinions of the European Parliament and the Economic and Social Committee.

I hope that the European Parliament will soon have an opportunity to adopt an opinion on this Commission draft.

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Question No 32, by Mr Adam (H-339/84)

Subject: European Social Fund

Will the Commission state the date, when 1984 European Social Fund grants for UK projects were agreed, and the date and methods by which these were announced?

Answer

The decision of 23 July 1984 was notified to the Member States in accordance with Article 191 of the Treaty on 13 August 1984 via the Permanent Representations. An interval of this length between decision and notification is normal, and is devoted to completing the full formal content of the decision.

After 13 August 1984, it was the responsibility of the Member State to inform individual beneficiaries of the outcome of the decision.

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Question No 33, by Mr Hughes (H-341/84)

Subject: Use by Member State governments of poverty as a tool in industrial disputes

British legislation requires a deduction of £ 15 per week from the benefit entitlement on any person taking strike action, on the assumption that strike pay will be received irrespective of whether such strike pay is received. This places the families of legitimate strikers not receiving strike pay well below the poverty line, causing severe hardship.

Given the European Communities' declared concern to eradicate poverty in all its forms would the Commission agree, in view of the serious and long-term hardship imposed on the families of striking miners during the British coal dispute, that such legislation should be eradicated within the Community?

Answer

The Commission understands that strikers in the UK are themselves disqualified from social assistance, but that in certain circumstances their dependants may receive assistance. This assistance is reduced by £ 15, a figure intended by the United Kingdom Government to represent strike pay which the striker himself receives or is deemed to receive from the trade union. In other Member States, the union alone is regarded as financially responsible for its striking members, and it does not seem therefore, that strikers and their families in the United Kingdom are in a less favourable situation than their counterparts in other Member States.

At present, the Commission has taken no action directly contemplating the regulation of industrial disputes, nor does it envisage taking any such action in the foreseeable future.

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Question No 34, by Mrs Pantazi (H-342/84)

Subject: Illegal imports of sultanas into the Community

Between 11 and 15 October 1984, various newspapers in the Member States of the Community published reports of the United Kingdom customs' discovery that three Turkish export companies had falsified invoices so that sultana prices appeared to be the same as the threshold prices laid down by the Community whereas they had in fact sold the sultanas at \$ 250 a tonne less.

Is the Commission aware of this case and, if so, what was its reaction? What precise measures does it intend to take to prevent future recurrence of illicit actions of this kind, which disrupt the smooth flow of trade between the Member States of the Community and are severely damaging to the commercial interests of other Member States of the Community?

Answer

The Commission is not aware of the special cases of irregularities referred to in the newspaper. The Commission is, however, well aware of the fact that the customs authorities of the Member States are carrying out thorough investigations in order to ensure that the minimum import price system applicable to dried grapes, other than currants, is respected.

The Commission services have had two meetings with the customs and agricultural authorities of the Member States where the methods used in attempts to circumvent the minimum import price system have been discussed.

The Commission is of the opinion that the investigations already carried out by the customs authorities, together with those currently in progress, have had a preventive effect and that further measures are not necessary.

It should also be stressed that the Greek harvest of sultanas from 1983 has been disposed of in a satisfactory manner.

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Question No 35, by Mr David Martin (H-343/84)

Subject: European Social Funds grants

Lothian Regional Council have recently announced that they are to use 'an unexpected £ 2 800 000 windfall' from the European Social Fund to reduce the Council's spending commitment, rather than for expenditure on industrial and youth training, for which the grant was made. Is this in accordance with the spirit of ESF grants?

Answer

Social Fund assistance totalling £ 2 805 579 was approved by the Commission for 1984 in respect of schemes run by Lothian Regional Council. The Council's applications (14 in number) had been examined on the basis of the rules and guidelines of the Social Fund; 13 schemes were classified as priority. The schemes covered a wide variety of training and employment needs, including vocational training for schoolleavers, further skills training for the under 25s, training for women and finally employment subsidies for young people and the long-term unemployed. In each case Social Fund aids matched an equal contribution from Lothian Regional Council to the costs of these specific schemes. If at the final payment stage Social Fund assistance is found not to have been used for the purpose for which it was granted, the Commission has power to recover all the assistance already paid. The Member State must provide the Social Fund with detailed reports on the carrying out of schemes in receipt of aid. Moreover, being legally the sole applicant, it guarantees the successful completion of operations strictly according to Fund rules.

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Question No 36, by Mr Fitzgerald (H-346/84)

Subject: EEC study of Cork City/Cork county region

Will the Commission indicate whether or not it has yet reached a decision regarding the financing of a major study in the Cork City and County region in preparation for the drawing up of a development strategy for this depressed area, which in view of recent factory closures is now suffering more than ever from very high unemployment rates?

Answer

Depending on which method is chosen and which regional development strategy is planned, and if a proposal is put forward by the Irish authorities, consideration could be given by the Commission to granting aid for a study to draw up such a strategy, with a view to financing the study from funds earmarked for preparatory studies for the introduction of integrated development measures.

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Question No 37, by Mrs Dury (H-351/84)

Subject: Substitution of natural milk

On several occasions, the European Parliament has called on the European Economic Community to draw up a directive on the code of substitutes for mother's milk adopted by the World Health Organization.

Can the Commission state how far work on this directive has progressed?

Answer

The Commission has on various occasions and in particular during the plenary sitting of 11 April 1983 and in the answer to question H-605/83 of Mrs Dury (on 18. 1. 1984) outlined those spheres of competence where the Community can adopt legal measures to implement the principles and achieve the aims of the WHO Code on breast milk substitutes. It has also explained that in other areas not covered by the legislative competence of the Community, other than legal action should be taken.

On the basis of these considerations, the Commission has completed its work and has now approved a proposal for a Council directive on the approximation of the laws of Member States relating to infant formulae and follow-milks, together with a report on infant feeding and the implementation of the WHO Code. The Parliament will receive these documents imminently.

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Question No 40, by Mr Huckfield (H-357/84)

Subject: Motor vehicles

What consultation with trade unions did the Commission undertake before pursuing its policy of harmonizing retail motor vehicles throughout the Community?

Answer

In the procedure by which it prepared the regulation on the application of Article 85(3) of the Treaty to certain categories of motor vehicle distribution and servicing agreements (OJ C 165, 24. 6. 1983), the Commission did not hear any associations on its own initiative. It merely gave associations existing at Community level and which submitted written comments following the publication of the draft regulation the opportunity of providing verbal explanations of those comments.

The honourable Member is also referred to the answer already given to his oral question No H-323/84.

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Question No 42, by Mr Chaboche (H-367/84)

Subject: Clearing House for transactions in ECU

Given the development of the use of the ECU, especially in the private sector, should not the private market be provided with the backing which a central monetary authority would represent to enable market liquidity to be guaranteed?

A number of projects are reported to be under consideration, in particular one to set up a clearing house for transactions in ECU, which would significantly improve market efficiency.

What progress has been made by the working party headed by the Crédit Lyonnais under the aegis of the European Commission?

Answer

The increased role of the ECU in the private sector is, in fact, a reflection of its increased use as a foreign currency by commercial and financial operators. As a rule, it is the issuing authority, and not the authorities of the countries where it is used, which is responsible for the management of a currency. In the case of the ECU, there is no such official issuing body. However, since the ECU is by definition a currency calculated on the basis of a basket of currencies, the liquidity of the ECU markets is guaranteed, should the need arise, by simultaneous recourse to the money markets of the currencies which make up the ECU. Consequently, it is all these national markets which ultimately perform the function of lenders in the final instance. As regards liquidity, therefore, and in view of the present level of private-sector use of the ECU, the question of setting up a central monetary authority does not arise as long as the national money markets continue to operate effectively.

In 1982, at the Commission's initiative, a certain number of banks formed a working party with a view to setting up a multilateral clearing system for ECU transactions, and it is currently carrying out a twofold task: firstly, drawing up the rules governing the future ECU Bankers' Association, a body to which those banks which are active in the ECU markets will belong; secondly, conducting the negotiations between the working party and the Bank for International Settlements. These negotiations are mainly concerned with the definition of the role of the BIS in the clearing system. They should very soon be entering the decisive phase.

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Question No 43, by Mrs Jackson (H-368/84)

Subject: The Esprit Programme

Does the Commission think it appropriate that American multinational companies (IBM and ITT) should be able to participate in the EEC's Esprit Programme which is meant to equip Europe's information and technology industry with the means of meeting and beating competition from the US and Japan?

Answer

Any company established in the Community is eligible to participate in Esprit provided that it accepts and abides by the rules of the programme. These require *inter-alia* that the work must be carried out within the Community and participants in each project must include at least two independent industrial companies established in at least two different Member States. Furthermore each company must provide all other partners with the know-how needed for the research and must make the results of the research available to other companies under reasonable conditions. The Commission believes that this exchange of know-how and results on an equal basis between different companies operating in R & D improves the results of the research and helps to achieve the Esprit objectives.

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Question No 45, by Mr Newman (H-378/84)

Subject: Caribbean airline 'Leeward Islands Air Transport'

Can the Commission deny recent press reports that the Caribbean airline 'Leeward Islands Air Transport', which has been seeking a £ 20 million EEC loan to purchase the British Aerospace Super-748 aeroplanes is being pressurized by Mr Pisani to purchase alternative less satisfactory aircraft from other EEC-based companies and is the principale of free and fair competition between aircraft manufacturing companies and Member States still in effect?

Answer

The Commission is astounded to learn of press reports according to which it has been under political pressure to select a specific and reportedly less satisfactory type of aircraft for the Caribbean airline LIAT and that it has pressurized that airline to accept such aeroplanes. The Commission categorically rejects the content of these reports and expresses its consternation that such allegations are repeatedly put forward in the press without being substantiated by the slightest evidence.

The Commission administers the funds contributed by the European taxpayers in strict accordance with the rules laid down by the EEC and ECP states signatory to the Lomé Convention. Article 121(2) provides that in conjunction with this ACP counterpart, the Chief Authorizing Officer — the Director General for Development — ensures equality of competition in procurement procedures and see to it that the tender selected is economically the most advantageous. The Commission has therefore no unilateral power of decision over the award of contracts.

In the case of LIAT the Commission has adhered strictly to the above rules without discrimination or bias on account of national and political interest. In the course of the selection procedure the Commission has furthermore been advised by three independent experts specializing in the aeronautical industry.

The Commission cannot, as a matter of policy, make public its documents concerning the basis of award of the contract, though these are of course subject to the full scrutiny of the Court of Auditors.

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Question No 47, by Mrs Squarcialupi (H-383/84)

Subject: Second consumer protection programme and amicable settlements

Can the Commission indicate what action has been taken on the proposals contained in the second consumer protection programme with respect to amicable settlements between the parties, or gentleman's agreements?

Answer

It is assumed that the honourable Member refers to the text for the encouragement of dialogue between representatives of consumer and producer interests which are contained in paragraphs 4 to 7 of the Annex to the Council Resolution (OJ No C 133 dated 3 June 1981) on a second programme of the European Economic Community for a consumer protection and information policy.

This part of the programme had primarily in view the encouragement of discussions on matters of common interest falling within the orbit of the second programme in order to achieve better mutual understanding of their respective positions between the parties concerned and where possible, some convergences of view between them. Although it was

envisaged as a second objective in paragraph 6 of the Annex that 'specific agreements between the various interests held' might result from such dialogue, the Commission did not commit itself to do more than 'facilitate the elaboration and conclusion of such agreements on an experimental basis' in circumstances where producer/consumer dialogue would have identified particular areas of potential formal agreement. It would therefore be an essential precondition that sufficient common political will would exist on both sides to identify such areas of agreement.

In fact, the discussions which have taken place between producer and consumer representatives in the currency of the second programme have not so far led to the identification of specific matters susceptible of formal agreement. Consumer representatives have continued to affirm their preference for obligatory rather than voluntary means of protecting their interests at Community level, while those on the producer side have not obtained the necessary mandate from their constituent national organizations to negotiate formal agreements on their behalf.

In these circumstances, the dialogue has necessarily been limited to its primary objective, namely to act as a vehicle for the exchange of views on matters of common concern. The Commission has provided facilities for a number of meetings for this purpose. It remains willing to facilitate the achievement of the second objective should future circumstances present appropriate opportunities to do so.

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Question No 48, by Mr McMahon (H-389/84)

Subject: Recent changes in the common fisheries policy

Could the Commission explain why the most recent agreement on the common fisheries policy allowed certain Member States to increase their quota of by-catch?

What measures will be taken by the Commission to enforce this policy?

Will the agreement be binding for all time or is it renegotiable?

Answer

The total weight of by-catch caught in the fisheries covered by the Regulation to which the honourable Member refers is not expected to rise above existing limits.

The Member States have the primary responsibility for enforcing Community rules on fisheries. The situation will be closely monitored by the Commission's inspectors.

The Regulation is a temporary measure which constitutes a derogation from the usual percentage by-catch limits. It applies until 31 May 1985.

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Question No 51, by Mr Carignon (H-395/84)

Subject: Lead-free petrol

Has the Commission evaluated the average additional cost per vehicle, in terms of fuel consumption, the price of petrol and the purchase and maintenance of catalytic converters, that will result from the introduction of lead-free petrol in the Community after 1989, and has it drawn the necessary conclusions with respect to energy policy?

Answer

The Commission has had this question examined by the group of experts 'ERGA — Air Pollution' under its second mandate of 12 July 1983 (Doc. XI/98/84).

On the basis of the results of this examination, the honourable Member's questions may be answered as follows:

Petrol consumption

In the case of engines which at present require normally available premium petrol, conversion to lead-free petrol of the proposed quality (95 RON/85 octane) would mean an average additional consumption of 2.25%.

Higher vehicle costs

Investments for the conversion of production plant to manufacture engine types which run on lead-free petrol will bring about an average 0.35% cost increase for the vehicle types concerned. In individual cases in which it is technically impractical to convert existing engines and a new engine must be developed, e.g. when the cubic capacity must be increased to compensate for the drop in performance caused by the low octane rating of lead-free petrol, the costs per vehicle may increase by up to 5%.

Higher running costs

The running costs of vehicles will be greater as a result of investments by the oil industry for the conversion of refineries to the production of lead-free petrol, increased production costs, the extra consumption of crude oil in the refineries, and the extra fuel consumption of engines. With 15 000 km per year and an average fuel consumption of 10 litres per 100 km, annual running costs will increase by an average of 30 ECU.

Purchase and maintenance costs of catalytic converters

It is not at all necessary to use catalytic converters in order to run vehicles on lead-free petrol. The question of the costs of such devices is thus irrelevant in this context and was not considered.

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Question No 52, by Mr Hänsch (H-514/84)¹

Subject: Adjustment of the institutional provisions of the Treaties in the context of enlargement of the Community to include Spain and Portugal

In various communications to the Council or to the European Council — and most recently in COM(83) 116 final of 1 March 1983 — the Commission has presented its ideas on what adjustments to the institutional provisions of the Treaties would be imperative, in its view, in the context of enlargement of the Community to include Spain and Portugal, in order to compensate for the increasing ponderousness in decision-taking that would obtain after these accessions because the original number of Member States would have doubled and the Community would be internally less homogeneous.

However, it is obvious that adjustments to the institutional provisions of the Treaties have been discussed in the accession negotiations in numerical terms only.

1. What steps has the Commission taken to have their extremely important proposals discussed in the negotiations?
2. What was the Member States' attitude to the Commission's proposals?
3. When did they decide *not* to take further action on these proposals, and on what grounds?

¹ Former oral question without debate (0-69/84) converted into a question for Question Time.

4. Have Spain and Portugal had an opportunity to comment on the proposals? If so, what was their position?
5. Will the Commission submit the proposals to the *Ad-hoc* Committee on Institutional Affairs, which was set up at the Fontainebleau European Council meeting?

Answer

1. The suggestions which the Commission put to the Council in its communication of 1 March 1983 (Doc. COM(83) 116 final 'Institutional implications of enlargement: more flexibility in decision-making') were reiterated and expressly included in the communication which the Commission forwarded to the Council with a view to defining the Community position to be put to the two applicant countries in the accession negotiations dealing with institutional questions.

2. and 3. Despite the fact that the Commission repeatedly stressed the importance and urgency of these additional adjustments, the Council refused, at its meeting of 23/24 July 1984, to include this aspect in the statements on this matter which the Community presented to Spain and Portugal. In fact, some Member States considered that, since these additional adjustments went beyond the purely 'arithmetical' adjustments provided for by the Treaties, they raised difficult problems which could not be solved in time for the accession negotiations to be conducted smoothly or which could not be examined as part of these negotiations but would, on the contrary, have to be dealt with by the *Ad hoc* Committee on Institutional Affairs.

4. Consequently, Spain and Portugal have not had an opportunity to state their views on these questions.

5. The interim report which the *Ad hoc* Committee presented to the European Council meeting in Dublin on 3 and 4 December 1984 does, in fact, contain suggestions which include a great deal of what the Commission proposed in March 1984.

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Question No 53, by Mr Didò (H-405/84)

Subject: European/Latin American Institute

What progress has been made towards establishing the European/Latin American Institute proposed by the Commission in COM(83) 142, and what steps are being taken to enable the Institute's European office to become quickly operational?

Question No 91, by Mr Vergeer (H-497/84)

Subject: The setting up of a European office for the European/Latin American Institute

Whereas it is recognized that the Institute must be made operative with all speed and that its running costs must be kept as low as possible because of its small budget, could the Commission state what it has done to ensure a good reception for the European/Latin American Institute in the EEC and what the reaction has been to the facilities offered by the City of Amsterdam and other organizations?

Joint answer

The Commission is subsidizing the setting-up and running of the European/Latin American Institute under line 282 of the budget. This Institute is independent and is currently preparing to establish itself in a city in the Community.

According to the information available to the Commission, several cities in various Member States of the Community (including Amsterdam) have shown an interest in being host to the Europe/Latin American Institute.

The Institute's organizing committee has asked one of its members to find the most suitable location. The exploratory work is currently at a stage where it is not yet possible to say which city will be the most suitable location for the Institute.

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Question No 54, by Sir Jack Stewart-Clark (H-411/84)

Subject: Animal Experimentation

Do the Commission have plans to bring in legislation which will make the recording of all animal experiments taking place throughout the Community obligatory? In replying would the Commission please inform me what the present position is?

Answer

The Commission remains very aware of the problems of the protection of experimental animals. However, it does not have plans at present to make proposals for legislation to make it obligatory to record all animal experiments taking place in the Community.

At present possible courses of Community action in respect of protection of experimental animals, are still under consideration in order to establish the best framework within which the general problem can be addressed. This includes consideration of the consequences of the work of the Council of Europe in this field as far as any Community legislation is concerned. When these questions are more clear the Commission will be in a better position to decide on specific proposals which may be necessary for Community legislation.

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Question No 57, by Mr Alvanos (H-418/84)

Subject: Commission interference in price index-linking, etc.

The Commission's annual report on the Community, specifically the section on Greece, indicates that efforts will be made to effect a real reduction in workers' wages (incomes policy for 1985 will have to revert to restraint, with the possibility of fixed wage increases in line with an estimated rate of inflation), to increase public service charges (an adjustment in public service tariffs designed to reduce the cost of subsidies), more rigorous tax assessment, further concessions to big capital (encouragement of private investment to promote an economic recovery among companies) and other measures with a similar socio-economic tendency.

Would the Commission state why it interferes in matters falling within the jurisdiction of the Member States themselves (guidelines for incomes policy, public services policy, etc.), why its recommendations go along with the demands made by big capital to the detriment of workers' interests on matters such as price index-linking, taxation, concessions to private enterprise, etc.) and, finally, whether it is concerned about the economic situation in Greece in 1985, since it has not dealt with a number of grave problems affecting the Greek economy as a result of Community provisions (increase in trade deficit, flight of capital, quotas for industrial and agricultural production, etc.)?

Answer

In its draft annual report for 1984/85, the Commission proposes to the Council that it should adopt broad guidelines for the Community's economic policy in 1985 and that it should do so for each of the Member States, particularly Greece. It is thus acting in line with the Council Decision of 18 February 1974 on the attainment of a high degree of convergence of the economic policies of the Member States of the European Economic Community, and more particularly Article 4 thereof.

It cannot be said that the Commission is interfering in matters which are the preserve of the Member States. The Act of Accession implies for Greece that it should conform both to the Treaties and to secondary legislation, to which the above-mentioned Decision belongs. Furthermore, the same Decision lays down that the European Parliament should be consulted on the Commission's draft proposal for the annual report.

The Commission's recommendations on index-linking, taxation and the fixing of public service tariffs do not concern a specific socio-professional category, as the honourable Member suggests, but seek mainly to reduce the inflation rate, which in Greece is far higher than in the other Member States. If these differences in inflation rates persist, they are bound ultimately to affect the exchange rate for the drachma.

Some of the serious structural problems mentioned, in particular the worsening trade balance and the flight of capital, can also be traced back to the same cause.

The Commission has given a great deal of attention to the problem of the effects of accession on the Greek economy, particularly in its examination of the memorandum sent to it by the Greek Government on 19 March 1982, and following the devaluation of the drachma on 9 January 1983. It took account of this problem in the proposals which it forwarded to the Council in reply to the concerns expressed in the above-mentioned memorandum, as well as in the decision which it took immediately following the devaluation — and which it later partially extended — to authorize Greece to limit temporarily imports of certain products from other Member States.

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Question No 58, by Mr Adamou (H-421/84)

Subject: Disposal of Greek citrus fruit harvested in 1984/85

As thousands of tonnes of citrus fruit are churned into the ground each year in Greece because markets cannot be found in time and because of Community policy (non-application of Community preference, citrus fruit imports from third countries, etc.), what measures does the Commission intend to take to absorb the citrus fruit harvested in 1984/85, seeing that 265 000 tonnes were destroyed last year and that this year, with an approximate increase in production of 1 000 000 tonnes, it is envisaged that more than 300 000 tonnes will be destroyed?

Answer

Citrus fruit production in the Community increased considerably in 1983. At the same time there was a similar increase in the production of the countries of the Mediterranean Basin, particularly in Greece. This situation led to important withdrawals in spite of the measures taken to assist sales of Community citrus fruit production, i.e.:

- marketing premium
- processing premium for oranges and lemons
- compliance with the reference price for imports from third countries
- export refunds

— structural measures for converting citrus fruit orchards.

Furthermore, it should be pointed out that the quantities of citrus fruit withdrawn from the market must, as far as possible, be sold for one of the purposes provided for by the Community rules on fruit and vegetables instead of being destroyed.

The honourable Member will find more details of these various measures in the answer to his written question No 1248/84, which deals with the very same subject.

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Question No 59, by Mr Ephremidis (H-424/84)

Subject: Oil production after the accession of Spain and Portugal

In view of the surplus oil production in the Community after the accession of Spain and Portugal (some 230 000 tonnes), the Council decided to re-examine the problem during the period leading up to accession.

Would the Commission state what prospects there are of a solution being found to the abovementioned problem since there is concern among Greek olive producers about the effects on olive production in Greece seeing that they have already suffered many setbacks through Greece's accession to the Community (a ban on extending their holdings, Regulations 259/84/EEC¹ and 1097/84/EEC,² infringements of Community preference arrangements, flooding of the Greek market with seed-oil and oil seed, etc.), and the solution devised, that is the introduction of 'threshold' guarantees, would be still another setback for them?

Answer

On 22 October 1984 the Council of Ministers adopted a proposal for the vegetable oils and fats sector for the purpose of negotiating the accession of Spain and Portugal to the Community. This proposal is based on the existing *acquis communautaire*. However, the statement accompanying this proposal provides for the adjustment of the present *acquis*, on the basis of discussions which will begin at the start of the transitional period, in the light of developments on the oils and fats market. In view of the above, the Commission will make the appropriate proposals in accordance with the guidelines laid down for the olive oil sector by the Council of Ministers of Agriculture in October 1983. Where there are olive oil surpluses or there is a real likelihood of their arising, these proposals will also take account of the conclusions of the Council of Ministers of Agriculture in March 1984 with regard to guarantee thresholds.

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Question No 60, by Mrs Wiczorek-Zeul (H-425/84)

Subject: Emergency food aid to the Yemen Arab Republic

Why has the Commission not given food aid to the drought victims in the Yemen Arab Republic, as was requested *inter alia* by the European Parliament resolution of 16 February 1984?

¹ OJ No L 30, 1. 2. 1984, p. 40.

² OJ No L 113, 28. 4. 1984, p. 1.

Answer

1. As requested during the April 1984 session of the European Parliament a letter was sent to Mr Purvis, former MEP, informing him of the follow-up given by the Commission to the Parliament's resolution.
2. It explained that, according to the criteria used in taking such decisions, it has not been considered appropriate to give emergency food aid to the Yemen, taking due account of the need of the country in relation to the needs of other parts of the world and the limited resources available.
3. The Yemen authorities themselves have preferred to receive, rather than food aid, an increased financial aid geared to assistance on rural development and food production, which might have somewhat less immediate results but is certainly longer-lasting than food aid.
4. Already this year, through the ongoing EEC seed production and distribution project started in 1983, increased yields of local cereal production have actually generated an additional output of over three times the food aid quantity requested in the resolution. Moreover, in continuing our efforts to improve the quality of locally produced seed, we estimate that the traditional local cereal production will be structurally increased by 10% (28 000 tons) by the end of next year.

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Question No 61, by Mr Hoon (H-426/84)

Subject: Stanton and Staveley Steel works

What is the attitude of the Commission towards the takeover of the Stanton and Staveley steel works in Derbyshire by the French corporation Pont-à-Mousson?

Answer

Pont-à-Mousson, Nancy, intends to acquire 75% of the share capital of Stanton & Staveley Ltd., Ilkeston, Derbyshire, from British Steel Corporation. The BSC would retain the other 25%, which Pont-à-Mousson would have an option to purchase at a later date. Pont-à-Mousson is the largest producer in the Community of cast iron pipes and fittings and Stanton and Staveley is the largest maker of these products in the UK.

The Commission has considered whether this concentration might constitute an abuse of a dominant position within the meaning of Article 86 EEC Treaty. We have concluded that there are no grounds for intervention because Pont-à-Mousson does not possess a dominant position in the market. The reason is that cast iron has to face strong competition from alternative materials throughout the range of pipe sizes.

Pont-à-Mousson has stated to the Commission's services that it plans to pursue an active investment policy at Stanton and Staveley and that it will keep all three of the plants in operation. These plants are at Stanton (Derbyshire), Staveley (Derbyshire) and Holwell (Leicestershire).

I understand that Point-à-Moussoun has indicated to the Stanton and Staveley management that it will do everything it can to maintain the Stanton and Staveley workforce at the level expected at the end of this year, namely about 2 550 employees. For their part the Stanton and Staveley management believe the merger to be the best available solution for securing the future viability of the business.

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Question No 62, by Mr Collins (H-428/84)

Subject: Air pollution control

Is the Commission aware that in at least one country of the European Community it is the practice to levy a duty on fuel savings gained from air pollution control equipment? Will the Commission agree that this is a disincentive to companies to install pollution control and energy recovery equipment and that this is contrary to the spirit of the Commission's attempts to reduce energy use and improve efficiency of air pollution control in the European Community?

Answer

The Commission is not aware of such practices as indicated in the first part of the question.

The Commission agrees that any measures which act as disincentives to pollution control are contrary to its efforts to reduce air pollution in the European Community.

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Question No 63, by Mr Clinton (H-432/84)

Subject: Beef variable premium

Is the Commission aware that large sums are due to Ireland from the UK due to the withholding of the variable premium on vacuum packed beef exported to the UK for consumption within the UK?

This represents a serious distortion in trade. What steps have the Commission taken to ensure that Irish beef (in particular vacuum packed beef) is subject to similar treatment to meat of British origin, as required by Regulation 1355/84 (Article 6)?¹

Answer

Article 6 of Commission Regulation (EEC) No 1355/84 laying down detailed rules for the variable slaughter premium in the United Kingdom provides.

'Ireland and the United Kingdom shall take all necessary measures to ensure that meat from categories of adult bovine animals eligible for the premium, originating in Ireland and intended for consumption in the United Kingdom, receives financial advantages equivalent to the slaughtering premium.'

Each year, the detailed rules for the implementation of this article are worked out between the Irish and the United Kingdom governments and formalized by means of an exchange of letters. Copies of the letters exchanged are submitted to the Commission.

This year, the negotiations between the two Member States concerned are still going on. The special problem of the vacuum-packed Irish beef is, among the subjects of these talks.

The Commission does not see any necessity to interfere, at the present time, in these ongoing negotiations. However, the Commission would like to express its hope that a positive result which satisfies both sides will be reached soon.

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¹ OJ No L 131, 17. 5. 1984, p. 19.

Question No 65, by Mr Lomas (H-437/84)

Subject: Appointment of Commissioner

Will the Commission confirm that membership of a national legislature is not compatible with membership of the EEC Commission and, therefore, that Lord Cockfield is not eligible to be appointed a Commissioner?

Answer

The holding of the office of a Commissioner implies that the provisions of Article 10 of the Treaty establishing a Single Council and a Single Commission of the European Communities have been observed and therefore that a Commissioner has formally given up occupations which are deemed by that article to be incompatible with it, including in particular taking part in the legislative process of a Member State.

All prospective members of the Commission are required to give a solemn undertaking to that effect when entering upon their duties.

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Question No 66, by Mr Rogalla (H-439/84)

Subject: Fontainebleau *Ad hoc* Committee II

How does the Fontainebleau *Ad hoc* Committee II fit into the institutional structure of the Community and how has the involvement of the Council as a Community institution been guaranteed in the work of this Committee?

Answer

The Fontainebleau *Ad hoc* Committee II does not fit into the institutional structure of the Community, and so the Community institutions are not as such involved in its work.

As the Commission pointed out in its communication to the Council of 24 September last¹ (a copy of which was sent to Parliament), it expects that, since the task entrusted by the Heads of State or Government to a committee made up of their personal representatives is to provide additional impetus, this will speed up the Council's decisions on numerous matters which are at present before it and which are of direct concern to the people of Europe.

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Question No 67, by Dame Shelagh Roberts (H-440/84)

Subject: Ethiopian Royal Family

In view of the substantial aid which the Community is providing for Ethiopia on humanitarian grounds, will the Commission take the opportunity of impressing upon the Ethiopian Government the need to respect human rights and, also, seek an assurance that the members of the Ethiopian Royal Family still in prison will be released forthwith.

¹ Doc. COM(84) 446 final.

Answer

1. The Commission is aware of the situation of political prisoners in Ethiopia, including some members of the former Emperor's family.
2. The Ethiopian Government has made known neither the substance of nor the stage reached in the preliminary investigations concerning political prisoners belonging to the family of the former Emperor.
3. The Commission, which joined in the approaches made by the Member States acting in political cooperation, has also taken various opportunities from an early stage to point out to the highest authorities of that country the great importance which the European public and its representatives attach to the granting of an amnesty for all political prisoners in Ethiopia, ten years after the start of the revolution.

The Commission will continue to take such action for as long as is necessary.

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Question No 68, by Mr Seefeld (H-442/84)

Subject: Importation of songbirds from Belgium

According to press reports (*Süddeutsche Zeitung* of 30 October 1984), the Minister for Agriculture in North Rhein-Westphalia has banned the importation of songbirds from Belgium.

How is it possible that songbirds continue to be caught and sold in the Community and what is the Commission doing to remedy this scandalous situation?

Answer

Council Directive 79/409/EEC of 2 April 1979 on the conservation of wild birds¹ permits, with certain restrictions, the hunting and marketing of certain species. The golden plover, which can be described as a songbird, is one of those species which may be marketed. The skylark, blackbird and several species of thrush are among the birds which may be hunted (Annex II/2 of the Directive).

In addition, Article 9 of the Directive allows the Member States to grant derogations, under strictly limited conditions, from the provisions forbidding the capture and marketing of birds.

Since it has come to the Commission's notice that the provisions of the Directive have in some cases been disregarded or too loosely interpreted, it has already instituted proceedings against all the Member States under Article 169 of the EEC Treaty for failure to comply with an obligation under the Treaty.

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Question No 69, by Mr Bocklet (H-446/84)

Subject: Community youth exchange programme

200 000 ECU were allocated to this programme in the 1984 Community budget.

¹ OJ No L 103, 25. 4. 1979.

How much of this amount has the Commission used, and what specific measures has it funded with it?

Answer

As at 1 December 1984 over 80% of the credits provided on Article 2732 of the budget had been committed, and it is expected that 100% will be committed before the end of 1984. These commitments have been made on the basis of the priority areas outlined in the Commission's response to the debate of 7/6/83 on the motion proposing the establishment of an EC youth exchange programme.¹

As at 1/12/84 8 programmes involving young people directly (youth exchanges, meetings or workcamps) had been financed; a grant had been given to an international conference within the framework of International Youth Year on information for young people about mobility, and a contribution had been made to a film on the same subject; and a grant had been made to a youth and schools exchange information office in Denmark.

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Question No 72, by Mr Raftery (H-457/84)

Subject: Commission's Expert Advisory Committees

In its review of the usefulness and role of the Expert Advisory Committees which help the Commission in the management of the agricultural markets will the Commission ensure that the main committees dealing with the principal agricultural products are maintained and that experts continue to be invited from all the Member States?

Answer

In order to comply with the European Parliament's request that the costs to the Community budget and the effectiveness of committees of a management, advisory and consultative nature (report by Mrs Bodil Boserup²) be studied, the Commission informed the European Parliament of its decision of 1 February 1984 *inter alia* limiting the payment of the expenses of members of consultative committees to 20 members. In its resolution of 10 May 1984 (OJ No C 127, page 56) Parliament approved the action taken by the Commission on this matter in response to Parliament's clearly expressed wishes. In order to comply with that decision, draft decisions are at present being drawn up committee by committee.

We should however inform the honourable Member at this point that the Commission has absolutely no intention of reducing the current number of consultative committees or of preventing experts from some of the Member States from taking part in the meetings of those committees. On the contrary, the Commission reaffirms its preference for this type of consultation.

The procedure for the appointment of members remains unchanged. As in the past, members are appointed by the Commission after their names have been put forward by professional and consumers' organizations at Community level which nominate two persons of different nationalities for each seat. When the Commission is making the appointments it ensures that a fair balance of nationalities is preserved. The sole aim of that decision is to reduce by about one half the expenditure incurred as a result of paying the subsistence and travelling expenses of members.

¹ OJ No C 1 — 300.

² Doc. 1-40/84.

As regards attendance at committee meetings, it should be pointed out that a certain amount of flexibility will be allowed for in order to enable more observers to take part, whilst keeping to a strict set of rules.

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Question No 73, by Mr Vandemeulebroucke (H-460/84)

Subject: Sales of butter from Eastern bloc countries to non-Community countries via Belgian undertakings

How does the Commission explain the fact that butter from Eastern bloc countries can be supplied in Belgium (i.e. via Belgian undertakings) to third (non-Community) countries at prices below the European guarantee threshold, thus automatically increasing the Community's butter mountain?

Answer

The activity referred to by the honourable Member is possible using a number of systems, the TIR system (Transport International par Route), the Community Transit System, the free zone system, the customs warehouse system or the IPA (inward processing arrangements) system. The rules for the systems in question are laid down in a series of Community Directives and Regulations, as well as in the International Convention on Transport, to which the Community is a signatory since June 1983.

While the IPA system as it applied to the milk products sector was suspended for a two-year period from 8 April 1984, it is possible that the transactions referred to took place within the period of about eight months following that date, allowed to carry out the operations already 'en route'.

It is incorrect to say that such transactions increase Community stocks automatically. The activity in question underlines the extremely low prices on the world market being applied by certain competition and it is these low prices which make sales of Community butter difficult. The fact that Community traders are involved in such sales is a benefit to the Community. It shows the traders' capacity to diversify. If the Community traders were not involved, the trade would continue but with no gain to the Community.

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Question No 74, by Mrs Crawley (H-462/84)

Subject: Ethiopian famine

Given the sheer scale of the Ethiopian famine and the predictions that between one to five million people will die if aid is not sufficient, why is the EEC only increasing its aid programme by £ 24 million and 37 000 tonnes of grain? Is it not possible to open up the intervention centres which house 10 million tonnes of surplus grain and release at least one million tonnes? If not, why not?

Answer

1. Ethiopia needs over a million tons over the next 12 months for famine relief.

Between December and March 1985 97 500 tonnes of food aid donated by the Community will arrive, 57 000 tonnes donated by the Commission and 38 000 by Member States. A further 18 million ECU has been allocated for humanitarian aid for the local

purchase of foodstuffs, transport of food aid, buying of seeds and running of medical programmes.

2. The Community's intervention stocks at the moment hold $\pm 6\frac{1}{2}$ million tonnes of wheat. But the agricultural support price budget can only be used for restitutions on classic commercial operations or food aid operations carried out by the Community under its annual food aid programmes.

The ability of the EEC Commission to grant food aid on behalf of the European Communities is defined by the annual food aid budget allocated to it. It is the European Parliament which has the final say on this portion of the budget. The 1984 appropriations were 502 million ECU, a reduction of 37 million ECU on the 1983 budget. Within this budget in 1984, the Community has allocated 1 127 000 tonnes cereals (about 540 000 tonnes directly to Sub-Saharan Africa with additional quantities going through the intervention and non-governmental organizations). The European Council at its meeting in Dublin of 4. 12. 1984 decided a total of 1.2 million tonnes for those most severely affected African countries — which means an important increase of the Community and Member State food aid in the coming months — there will therefore be around an extra 500 000 tonnes available from the Community for these countries and Ethiopia will be one of the major beneficiaries of these additional quantities.

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Question No 79, by Mr Papoutsis (H-470/84)

Subject: European Foundation for Safety at Sea

What action has the Commission taken on the resolution of the European Parliament (Kaloyannis report, Doc. 1-78/82) on the creation of a European Foundation for Safety at Sea, and what measures has it taken or does it intend to take to implement the proposals set out in this resolution?

Answer

The Commission's position on the Resolution adopted by Parliament on a European Foundation for Safety at Sea was stated on 28 October 1983. It was indicated that the Commission could not accept the Resolution in its present form but that the Commission would examine with the Parliament any other suggestion on the promotion of technology for a possible establishment in Greece.

With this in view the Commission's services are currently engaged in an investigation in the various Member States into the existing maritime training and research centres in order to form a complete and up-to-date picture on the current situation. This should enable the Commission's services to establish what scope there could be for a European Institute.

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Question No 80, by Mrs Castle (H-472/84)

Subject: Extension of Seal Import Ban

In view of the fact that the Council Directive which bans the import into the European Community of harp and hooded seal pup products is due to expire in October 1985, could the Commission now confirm that it will be forwarding to the Council and to the European Parliament the necessary proposals to extend this ban beyond 1985, in such a way as

to ensure that there is no break in the ban and to include products derived from all harp and hooded seals?

Answer

It is true that the Commission has until the early summer of 1985 to decide whether the directive referred to by the Member is to be renewed.

In order to produce a properly balanced proposal, the Commission will be obtaining all the scientific knowledge available.

This will include:

1. A study of hooded and harp seal stocks in the North West Atlantic commissioned by Canada and the European Community from the North West Atlantic Fisheries Organization (NAFO); the NAFO meeting at which consideration of this matter is to be concluded will take place on 16-22 January 1985;
2. The possible interim findings of a study by the Canadian Royal Commission on the seal industry, which is to submit an interim report to the Canadian Government at the end of this year.

Once this information is to hand, the Commission will take its decision.

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Question No 81, by Mr Iodice (H-473/84)

Subject: Community fiscal policy for small and medium-sized undertakings

Does the Commission not believe that the proposed reform of the Italian tax system, introducing lump sum payments of both VAT and IRPEF¹ for 95% of SMUs — which presupposes that undertakings with a turnover of up to LIT 780 million are all of the same kind or, failing that, will impose on SMUs what would be a complex and excessively costly accounting system, bearing in mind their small size — poses a threat to their survival and conflicts with both the Community norm and the spirit of the Community action programme adopted at the close of European Year of SMUs?

Answer

The Commission has asked the Italian Government for detailed information on the planned tax reform, particularly in order to assess its consistency with the provisions of Community law; the Commission will not be able to give a final judgment on the subject until it has received such information.

With regard to the arrangements for small and medium-sized businesses to which the honourable Member refers, the Commission can at this stage state the following:

1. according to the Italian Government, the arrangements form part of increased efforts to combat tax evasion. The Commission would point out on this subject that, at the request of the Council of Ministers,² it has drawn up a programme of action against international tax evasion and avoidance, which is already partly operational following the adoption of Directives 77/799/EEC³ and 79/1070/EEC⁴ concerning mutual assistance by

¹ Tax on the income of natural persons.

² Resolution of 10 February 1975, OJ No C 35, 14. 2. 1975.

³ OJ No L 336, 27. 12. 1977.

⁴ OJ No L 331, 27. 12. 1979.

the competent authorities of the Member States and 79/1071/EEC¹ concerning the recovery of tax claims. It can therefore only welcome such increased efforts.

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Question No 82, by Mr Antony (H-474/84)

Subject: Protection of oak forests in Europe

Why has a derogation been granted to the port of Marseilles for the import of oak wood from the United States and, since measures exist for the disinsectization of consignments which are suspect or visibly contaminated by borer insects (scolytids etc.), why are there no measures permitting the treatment of consignments which are carriers of *Ceratocystis fagacearum*?

Answer

The honourable Member is obviously referring to Commission Decision 84/96/EEC of 10 February 1984² amending Decision 83/78/EEC³ authorizing certain Member States to provide for derogations from certain provisions of Council Directive 77/93/EEC in respect of oak wood originating in the United States of America.

By this decision the port of Marseilles was indeed added to the list of Community ports through which the oak logs in question, with bark, may enter the Community in accordance with the plant health conditions laid down in Decision 83/78/EEC.

This list was drawn up in the light of the communications from the respective Member States, according to which appropriate structures have been set up for effectively checking whether the above-mentioned plant health conditions are met.

It should be pointed out that Decision 83/78/EEC expressly permitted the option of fumigating the logs, and for this purpose it lays down the fumigation procedure which must be adopted.

The details of this procedure were drawn up on the basis of the results of a scientific research project conducted jointly by the Community and the United States. In this context, it was decided that fumigation must be carried out when the timber leaves the United States; a treatment at a later stage was not considered effective enough to eliminate the risk of introducing *Ceratocystis fagacearum* into the Community and is thus not provided for, irrespective of other considerations relating to the environmental aspects.

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Question No 83, by Mr Le Chevalier (H-475/84)

Subject: Communication to the Council on migrant workers

In its report on social developments in 1983, dated March 1984, the Commission states on p. 10 that it is intending to deal with all aspects of the problem of migrant workers and plans to submit a communication to the Council towards the middle of 1984.

Does the Commission believe that it is in keeping with the Treaty of Rome to include all migrants, whether or not they are of Community origin, in the same category and within

¹ OJ No L 331, 27. 12. 1979.

² OJ No L 51, 22. 2. 1984, p. 21.

³ OJ No L 51, 24. 2. 1983, p. 42.

the terms of the same study and how can it justify regarding citizens of non-member countries as Community citizens?

Answer

Community action in favour of migrant workers and their families has been developed over the last decade on the basis of the Council Resolutions of 21. 1. 1974¹ and of 9. 2. 1976,² which set as an objective the achievement of equality of treatment for Community and non-Community workers and their families in respect of living and working conditions, wages and economic rights, taking into account the Community provisions in force. The new communication to Council, being prepared by the Commission and referred to by the Honourable Member, will continue to take a global approach to the problems of migrant workers, distinguishing as appropriate between social integration measures relevant to all migrant workers irrespective of their country of origin, and specific questions relating to the freedom of movement and access to employment of Community nationals.

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Question No 84, by Mr Hutton (H-478/84)

Subject: Dumping of Japanese excavators on the European market

Can the Commission explain why, in view of the damage being done to European firms by the dumping of Japanese excavators on the European market, they are taking so long to conclude their investigation of these Japanese imports, and when they intend taking action to limit them?

Answer

In accordance with the GATT Anti-Dumping Code, it is the practice of the Commission to apply anti-dumping measures only after it has been provisionally established within the framework of a formal investigation that the imports in question have been dumped and have caused injury to the Community producers concerned.

In the case of hydraulic excavators from Japan, the fact finding is now virtually complete and the results are being assessed. The Commission is aware of the need to complete the investigation as quickly as possible but, in the meantime, it should be stressed that no provisional determination of dumping or injury has been made and it is important not to prejudge the outcome of the investigation.

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Question No 86, by Mr Price (H-483/84)

Subject: EDF Contract: LIAT Airways

In view of the controversy over the Commission's award of a contract to supply aircraft to LIAT Airways in the Caribbean is the Commission satisfied with the procedures for the award of this contract, and is the Commission prepared to make public the basis on which this contract was awarded?

¹ Supplement 2/74 — Bull. EC (Social Action, Programme).

² Supplement 3/76 — Bull. EC (Action Programme in favour of migrant workers and their families).

Answer

The Commission is astounded to learn of press reports according to which it has been under political pressure to select a specific and reportedly less satisfactory type of aircraft for the Caribbean airline LIAT and that it has pressurized that airline to accept such aeroplanes. The Commission categorically rejects the content of these reports and expresses its consternation that such allegations are repeatedly put forward in the press without being substantiated by the slightest evidence.

The Commission administers the funds contributed by the European taxpayers in strict accordance with the rules laid down by the EEC and ACP states signatory to the Lomé Convention. Article 121(2) provides that in conjunction with his ACP counterpart, the Chief Authorizing Officer — the Director General for Development — ensures equality of competition in procurement procedures and sees to it that the tender selected is economically the most advantageous. The Commission has therefore no unilateral power of decision over the award of contracts.

In the case of LIAT the Commission has adhered strictly to the above rules without discrimination or bias on account of national and political interest. In the course of the selection procedure the Commission has furthermore been advised by three independent experts specializing in the aeronautical industry.

The Commission cannot, as a matter of policy, make public its documents concerning the basis of award of the contract, though these are of course subject to the full scrutiny of the Court of Auditors.

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Question No 87, by Mr Pearce (H-484/84)

Subject: Market in financial services

Recognizing the regrettably slow rate of moves to create a single European market in financial services, will the Commission use the full weight of the Community to enforce upon Japan access to their financial markets equal to that which they have to financial markets in the United Kingdom?

Answer

I can assure the honourable Member that the Commission maintains an on-going dialogue with the Japanese authorities on a number of financial issues. Within such discussions special attention is paid to the question of reciprocity between the Community and Japan. The UK position is duly considered within the framework of these talks. The honourable Member will appreciate that the situation at this moment is made more complex by the tide of change that is presently sweeping the world financial markets in the guise of technological innovation and deregularization.

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Question No 88, by Mrs Viehoff (H-486/84)

Subject: Report on Community policy on tourism (Doc. 1-816/83)

On 16 December 1983, the report on Community policy on tourism, which I drew up on behalf of the Committee on Youth, Culture, Education, Information and Sport, was adopted in plenary session by the European Parliament.

In July of this year, the Council decided to create a tourism department, staffed by four or five officials, which will come under DG VII.

The four-country project for the Meuse basin referred to in Doc. 1-816/83 has now been submitted to the Council for financial support. Why was it not possible to include it on the agenda for discussion at the Council meeting of 19 November?

Answer

I should like to inform the honourable Member that the meeting of Ministers of Tourism, which the Irish Presidency announced would be held on 19 November, did not take place.

The Council cannot, in any case, discuss the funding of the projects, and so it cannot discuss the funding of the Meuse basin project either.

The European Regional Fund may fund tourism projects if they meet the conditions imposed by the rules of the Fund and if the application for funding is addressed to the Commission by the competent authorities of the country or countries concerned. No such application has been made.

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Question No 89, by Mr van Aerssen (H-489/84)

Subject: Contradictory Community policy on trade in paper

Why is the Commission playing the GATT provisions for liberalizing imports off against those in EFTA and thereby disregarding Article XXIV of GATT, which stipulates that any provisions for more far-reaching liberalization of trade must not jeopardize the position achieved in GATT?

Answer

1. The Commission considers that the process of establishing a free-trade area such as that provided for in Article XXIV of GATT is not incompatible with the GATT objective of gradually liberalizing international trade. As regards the relations between the Community and the GATT countries following the establishment of a free-trade system for paper between the Community and EFTA, the Community's aim is to preserve the status quo.

2. It would not be in the Community's interest to consider liberalizing imports in a given sector without obtaining an equivalent advantage for its exports and without examining the consequences for this sector of Community industry.

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Question No 90, by Mrs Banotti (H-491/84)

Subject: Television licences for elderly people

Can the Commission state what is the present position regarding the provision of free or reduced-cost television licences to old-age pensioners in the Community Member States?

Answer

The Commission is not yet in a position to give information about the provision of free or reduced cost television licences to old-age pensioners. As the Commission reported in its

reply to the question (H-107/84) of Mr Wijsenbeek,¹ a study is currently being carried out to gather data on the concessions and special provisions available to the elderly in individual Member States and the scope for widening access to include elderly people from other Members States.

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Question No 92, by Mr Bettiza (H-505/84)

Subject: Admission of the Peoples' Republic of China to GATT

Does the Commission consider it advisable to give its firm support to the request from the Peoples's Republic of China to be allowed observer status in GATT as a step towards full membership and, if so, what steps is the Commission contemplating to ensure that the European Community derives full benefit from the opening up of the world's largest market to Western goods?

Answer

1. At its meeting on 6-8 November 1984, the GATT Council agreed to grant observer status to China without prejudice to the position of the contracting parties with regard to China's *legal status vis-à-vis* GATT. China has been a party to the Multifibre Arrangement since 18 January 1984.
2. On this occasion, the Community stated that China's presence represented a symbolic act of faith in the multilateral system.
3. Trade between the Community and China has developed satisfactorily during recent years (overall trade between the EEC and China doubled between 1978 and 1983). Forecasts both for exports from the Community to China and for Chinese imports to the Community are very encouraging, independently of China's observer status in GATT.

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Question No 93, by Mrs Boserup (H-506/84)

Subject: Storage of surplus agricultural products

According to reports, expenditure on the storage of surplus agricultural products in the next 3 to 4 years will be of the order of 7 000 million ECU, or well over DKR 57 000 million.

Can the Commission confirm that expenditure on the storage of surplus agricultural products in the next 4 years will be of this order and can it give more detailed information on the estimated total as well as a rough estimate of the storage costs broken down by main products groups?

Answer

Mrs Boserup is rightly concerned at the large quantities in storage and the costs involved.

The current value of products in intervention, purchased with national resources, is approximately 8 500 million ECU. This amount thus exceeds that which applied at the end of 1983, namely 7 000 million ECU, as pointed out in the section on the EAGGF in the

¹ Question Time of 9. 10. 1984.

Commission's current financial report, which has been made available to the European Parliament.

The above amount relates to butter (39%), skimmed-milk powder (14%), beef and veal (19%), cereals (25%), olive oil (2.5%), and to a lesser extent tobacco and colza. Thus 72% of the value of products in intervention relates to dairy products and beef and veal.

These large quantities in storage incur not only actual storage costs but, in certain cases, losses when they are marketed.

The appropriations requested for 1985 are indicated in the draft budget. Accordingly, when it drew up its preliminary draft budget, the Commission requested for those sectors in which there is public intervention a total appropriation of 1 163 million ECU for storage and financial costs and an appropriation of almost 2 500 million ECU for discrepancies between purchases and sales.

As soon as the Commission is faced with a high level of stocks, it must seek ways to reduce them by additional cut-price sales both inside the Community and for export to non-member countries; this explains the above-mentioned appropriation of 2 500 million ECU.

The Commission's main aim is to achieve market balance, which will make it possible, among other things, to avoid an accumulation of surplus stocks; hence the introduction, for example, of milk quotas and guarantee thresholds.

Costs of storage for the years following 1985 will depend partly on the level of stocks available at the end of 1985 and on the impact of the measures recently taken by the Community.

During the years in question the value of the funds tied-up and storage costs should gradually diminish.

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Question No 94, by Mrs Lentz-Cornette (H-511/84)

Subject: *Ad hoc* committee on Trenbolone and Zeranol

Can the Commission explain the circumstances which led to the setting up of an *ad hoc* scientific committee on Trenbolone and Zeranol this year? What are its terms of reference?

Question No 95, by Mr Roelants du Vivier (H-513/84)

Subject: *Ad hoc* committee on Trenbolone and Zeranol

Is it true that, some weeks ago, the members of this *ad hoc* committee, which is to deliver an opinion on Trenbolone and Zeranol, were asked to sign an undertaking that they would neither pass on any documents nor divulge any information? Is there a precedent for such action in respect of the European Community's scientific committees?

Joint answer

1. In 1981 the Council decided to take a decision as soon as possible on a proposal from the Commission on the administering to farm animals of Oestradiol 17B, Testosterone, Progesterone, Trenbolone and Zenarol for fattening purposes. The Commission decided to consult the Scientific Veterinary Committee, the Scientific Committee for Food and the Scientific Committee for Animal Nutrition. The Committees were asked the question:

'Does the use for fattening purposes in animals of the following substances: Oestradiol 17B, Testosterone, Progesterone, Trenbolone and Zenarol present any harmful effect to health?'

To facilitate this work a Scientific Group on anabolic agents in animal production was formed in which representatives of each of the Scientific Committees participated together with other Community Scientists. Their work formed the basis to the Reports of the Scientific Committees.

I shall be pleased to ensure that a copy of the complete list of names which you will find published in Agricultural Report EUR 8913 concerning this matter is made available.

Following their initial work the Scientists requested additional data before giving a final conclusion on Trenbolone and Zenarol. As new data have now been made available they are continuing their work.

2. In accordance with Article 10 of the Decision constituting the Scientific Committees, where the Commission informs the Members that the opinion requested is on a matter of a confidential nature, members of the Committee shall be under an obligation not to disclose information which has come to their knowledge through the work of the Committee.

As those experts who are not members are not held by these provisions of this constitution, it was considered that they must also be put on the same footing.

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Question No 96, by Mrs Boot (H-516/84)

Subject: Deregulation activities of the Member States

In the debate on the competitiveness of Community industry held on 27 April 1983, Commissioner Andriessen replied to a question on whether selective and non-uniform deregulation by Member States was a cause of distortion of competition within the common market by stating that the Commission's agenda included the discussion of a memorandum from its services on a possible amendment to Articles 100 and 101 of the Treaty.

What are the Commission's findings as a result of discussing this memorandum with regard to a possible increase in the disparity between the statutes of the Member States?

Answer

In July 1983 the Commission had an opportunity to conduct a more thorough reappraisal of how it interprets the concept of specific distortions with a view to facilitating the practical application of Article 101 of the EEC Treaty.

The way in which Article 101 has been applied since this date can only be assessed on the basis of cases of specific distortion of which the Commission is aware. A report is currently being drawn up analysing certain priority cases to which Article 101 is likely to be applied. The Commission will inform the honourable Member of the results of this analysis as soon as possible.

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Question No 97, by Mr Chiabrando (H-517/84)

Subject: Dutch imports of milk from Poland

Is it true, as claimed in the *Irish Times* of Wednesday, 28 November 1984, that the Netherlands is importing milk from Poland and that the pattern of imports and exports

between Community milk-producing countries has changed when, paradoxically, Community farmers are being forced to slaughter more than 800 000 cows to avoid superlevies?

Answer

Research carried out by the Commission has revealed that between January and October 1984 no milk from Poland was imported to the Netherlands.

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II. Questions to the Council

Question No 102, by Mrs Van Hemeldonck (H-416/84)¹

Subject: Mont Louis

Can the Council explain why on 28 June 1984 it was only able to signify its agreement to the directive on the transfrontier shipment of hazardous waste, instead of formally adopting the directive itself?

Does the Council consider that such a dilatory approach can be justified, given the urgent need for a solution to this problem, as illustrated by the collision involving the Mont Louis?

Answer

At its meeting on 28 June 1984 the Council reached agreement on the Directive on the supervision and control of the transfrontier shipment of hazardous waste. The formal adoption of the Directive by the Council took place on 6 December 1984.

As regards the particular case of the Mont Louis, the honourable Member's attention is drawn to the fact that the above Directive on the shipment of hazardous waste, although containing some provisions on the supervision and safety of transport operations does not deal directly with the problems relating to accidents which might occur during such operations.

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Question No 107, by Mr Kyrkos (H-314/84)

Subject: Sale of citrus fruits from the occupied sector of Cyprus

Can the Council state what measures it proposes to take to prevent the sale of citrus fruits from the occupied sector of Cyprus? Does not the growth of this trade, which is a blatant contradiction of Parliament's resolutions, represent a serious inconsistency which might further encourage the Turkish leadership to treat with contempt the decisions of Community bodies and the UN?

Answer

The Council would point out that the Ten have condemned the unilateral declaration of independence of the Turkish Republic of Northern Cyprus and reiterated their uncondi-

¹ Former oral question without debate (0-38/84), converted into a question for Question Time.

tional support for the independence, sovereignty, territorial integrity and unity of the Republic of Cyprus, regarding Mr Kyprianou's Government as the only legal government of Cyprus.

It is for the Commission to ensure the proper application of the provisions governing imports into the Community of products originating in Cyprus, including Article 5 of the Agreement. In this connection, the honourable Member is asked to refer to the statement made by Mr Richard, Member of the Commission, to the European Parliament in May 1984.

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Question No 108, by Mr Balfe (H-321/84)

Subject: Plastic bullets

Can the Council state what action it intends to take on the resolution on the need for an immediate banning of the use of plastic bullets, Doc. 2-659/84, adopted by 150 votes to 29 on 11 October 1984.

Answer

I would repeat the reply already given on 12 September 1984 to Question No H-125/84 put by yourself, Mr Balfe, and on 10 October 1984, to Question No H-168/84 put by Mr Gremetz, namely that this matter does not come within the Council's jurisdiction.

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Question No 109, by Mrs De March (H-325/84)

Subject: Community legislation on flower-growing

The Commission has proposed a regulation on cut flowers which would provide better protection against imports. The European Parliament and the Economic and Social Committee have given their approval. Has the Council decided to adopt and apply without delay this regulation and back it up with measures (such as reference prices) which would ensure compliance with the principle of community preference in this sector.

Answer

The Council started discussions on the Commission proposal concerning supplementary measures within the framework of Regulation (EEC) No 234/68 with regard to certain floricultural products as soon as the proposal was submitted by the Commission.

Subsequently, discussions were temporarily broken off in order to enable certain contacts to be made at the national level with the trade sectors directly concerned by the proposal, in order to facilitate further discussions. The Council resumed their work in early October with a view to reaching a final conclusion at the earliest opportunity.

As for the substance, it should be noted that the Community proposal does not provide for reference-price-type measures but, *inter alia*, for the introduction of a Community signal price instead of the existing national signal prices.

It should be pointed out that the European Parliament has delivered a favourable Opinion concerning the Commission proposal, without suggesting any amendment.

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Question No 112, by Mr Adamou (H-332/84)

Subject: Harmonization of industrial production standards

Would the Council state whether, when deciding to harmonize industrial production standards, it took into account the problems this might cause domestic industries in countries such as Greece, whose representative did in fact raise objections on this matter?

Answer

In adopting a number of principles relating to a European standardization policy in July 1984, the Council took into account the situation in Member States in the light of statements made during discussion. It also acknowledged that a Community action should contribute towards ensuring appropriate progress in all Member States.

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Question No 117, by Mrs Dury (H-354/84)

Subject: Education policy in Belgium

During a hearing in the Court of Justice on the fees for higher education charged to foreign students in Belgium, the lawyers for the Belgian Government defended this system that discriminates against other European Community countries with the argument that the fundamental aim of the Treaty of Rome is economic.

Has the Council of Ministers noted the Belgian Government's position in this affair and does this mean that within the Council of Ministers Belgium no longer defends policies for European citizens such as education, social and cultural policies, etc.?

Answer

The Council cannot comment directly or indirectly on the case currently before the Court of Justice concerning the enrolment fee which foreign students in Belgium are required to pay.

Moreover, the Council does not comment on the positions taken by representatives of Member States at ministerial sessions.

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Question No 118, by Mr Didò (H-356/84)

Subject: Draft 'Vredeling' Directive

What measures are under way to ensure that the draft 'Vredeling' directive is adopted and when is the matter to be put on the Council of Ministers' agenda?

Answer

As it stated in the reply given to Question No H-122/84 put by Mr Chanterie, the Presidency has taken the initiative of setting up an *ad hoc* high-level Working Party in order to speed up discussions on the technical questions raised by the proposal for a Directive of 13 July 1983 and to define clearly the role of the Member States in the matter.

This *ad hoc* Working Party has since examined in greater detail the main features of the enacting terms and the major questions raised by this proposal.

Furthermore, this matter has been entered on the agenda for a Council meeting in the very near future.

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Question No 120, by Mr Maffre-Baugé (H-376/84)

Subject: Exports of agricultural products to the United States

The US Congress has recently passed a bill on foreign trade (omnibus trade bill) which would enable the United States to impose restrictions on imports of agricultural products, particularly in the wine sector.

Is the Council determined to make representations to the United States to ensure that they honour their international obligations and to instruct the Commission to prepare retaliatory measures as soon as this law is applied?

Answer

As the honourable Member is aware, the Trade and Tariff Act contains a variety of trade measures including provisions concerning imports of wine into the United States.

When the Act became law at the end of October, the Community immediately reserved its GATT rights on all aspects of the Act pending a thorough analysis of the implications for Community exports.

On the specific measures relating to wine, and more particularly the extension of the definition of 'domestic industry' to include wine grape producers, the Community has however already raised the issue in GATT. Consultations provided for in the relevant GATT Committees will take place in early December at the Community's insistence.

Further Community action will depend on the outcome of these consultations and on the results of the general analysis of the Trade and Tariff Act now well underway.

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Question No 121, by Mr Aigner (H-384/84)

Subject: Reducing the number of customs officials at internal frontiers

Is the Council willing to propose to the Member States concerned that they halve the number of customs teams at the internal frontiers, where checks have been reduced to a minimum under bilateral agreements, and re-employ the surplus staff at the Community's external frontiers and in built-up areas?

Answer

It is for the Member States to decide how to deploy their staff.

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Question No 130, by Mr Hughes (H-407/84)

Subject: Safeguarding of Human Rights and Civil liberties within the European Community

Would the Council agree that any deliberate violation or erosion of human rights and civil liberties by a Member State Government would be a matter of grave importance worthy of urgent investigation?

Answer

I can refer the honourable Member to the joint reply I gave to Question No H-205/84 by Mr Cottrell and No H-233/84 by Mr Ephremidis. That reply was as follows:

The Presidency would like to remind the European Parliament in its new composition of the Council's position with regard to the problem of respect for human rights.

The Ministers for Foreign Affairs of the Member States of the European Community meeting within the framework of political cooperation raise, in accordance with rules which they have decided on, questions relating to respect for human rights in third countries.

As regards for human rights within the Community, the Council points out that in ratifying the Treaties establishing the European Communities, the Member States approved the paragraph in the preamble which states:

'Resolved by thus pooling their resources to preserve and strengthen peace and liberty, and calling upon the other peoples of Europe who share their ideal to joint in their efforts.'

Subsequently, the Council together with the European Parliament and the Commission adopted a joint declaration on 5 April 1977 in which they stressed the prime importance they attach to the protection of fundamental rights, as derived in particular from the constitutions of the Member States and the European Convention for the Protection of Human Rights and Fundamental Freedoms.

In their declaration on democracy on 7 and 8 April 1978, the Heads of Government of the Member States meeting within the European Council confirmed 'their will, as expressed in the Copenhagen Declaration on the European identity, to ensure that the cherished values of their legal, political and moral order are respected and to safeguard the principles of representative democracy, of the rule of law, and of respect for human rights'.

It is not for the Council as such to assess incidents or particular situations which exist in the Member States of the Community.

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Question No 132, by Mr Van Miert (H-409/84)

Subject: A people's Europe — temporary importation of motor vehicles

People living near the Community's internal frontiers frequently live in one Member State but work in another.

Many problems arise when company vehicles provided by an employer established in another Member State to enable his employees to travel from home to their place of work and vice versa are used for private purposes. As a rule, such vehicles have to be left at the frontier. The Council directive of 28 March 1983 on tax exemptions for certain means of transport temporarily imported into one Member State from another which entered into force on 1 January 1984, has not solved these problems.

What steps does the Council intend to take, and when, to remove these obstacles, particularly in the light of the statement made by the European Council in Fontainebleau that it is essential that the Community should respond to the expectations of the people of Europe by adopting measures to strengthen and promote its image for its citizens?

Answer

As stated by the honourable Member, the Council Directive of 28 March 1983 settled a number of cases concerning the exemptions applicable within the Community regarding the temporary importation of motor vehicles. However, this Directive has not solved other problems, in particular the one concerning the use by a person, in the Member State in which he is usually resident, of a vehicle belonging to his employer and registered in another Member State.

It should be pointed out that measures in this sphere, in accordance with the Treaty, are taken by the Council on a proposal from the Commission. The Commission has not so far sent the Council a proposal concerning the problem raised by the honourable Member.

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Question No 133, by Mr Romeos (H-396/84)

Subject: Olive oil and oils-and-fats sector

Attempts have recently been made to raise the subject of olive oil in view of the enlargement of the Community to include Spain and Portugal and there have in fact been proposals for the introduction of production guarantee thresholds.

Does not the Council believe that sufficient measures are already in force to restrict increases in olive production and that a global policy in the oils-and-fats sector would be the next appropriate step towards solving the problems in this sector, as the European Parliament has called for on numerous occasions?

Answer

In the context of its decisions at the end of March 1984 on the package of agricultural prices for 1984/85, the Council stressed the need to introduce guarantee thresholds into the organization of the markets in products in surplus or potentially in surplus or on which expenditure was rapidly increasing.

On the basis of these guidelines, the Council emphasized to the applicant countries the need for discussion to be initiated as soon as possible after accession on the adjustment of the 'acquis communautaire' in oils and fats to the new circumstances of the enlarged Community.

It was pointed out in particular that if, in the case of olive oil, the conditions referred to in the Council's conclusions of the end of March 1984 were found to exist, guarantee thresholds would be applied in accordance with these conclusions.

I consider this approach to provide a sound basis for resolving the problems which might arise in the oils and fats sector, particularly in the case of olive oil, it being understood that any measures which might be adopted in this way would be in addition to the restrictive instruments already in force.

It should in fact be remembered that in the case of olive oil a clause imposing a standstill on olive-tree planting applies to the Ten and is to be extended to the two applicant countries, and that guarantee thresholds apply in the case of colza and sunflower.

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Question No 134, by Mr Vgenopoulos (H-397/84)

Subject: Parental leave and leave for family reasons

The Commission has submitted a proposal for a Council directive on parental leave and leave for family reasons with a view to establishing equal basic minimum provisions for workers of both sexes and greater flexibility in the organization of working hours, thereby contributing towards the development of a family policy which would make it easier for working parents to devote time to their children. The European Parliament has already delivered a favourable opinion on this matter.

Is the Council resolved to adopt this proposal for a directive in the near future and, if not, what are the Member States' objections?

Answer

The proposal for a Directive on parental leave, which was submitted to the Council on 24 November 1983, forms part of the implementation of a Community policy to promote equal opportunities for men and women. The Council is currently attempting to resolve the practical social and economic problems to which its application might give rise.

This examination is at present being carried out in a detailed and exhaustive manner, but it is not yet possible to say when it will be completed.

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Question No 136, by Mr Ephremidis (H-430/84)

Subject: Aid for Ethiopia

The drought which has afflicted Ethiopia in recent years persists and is expected to intensify as a result of the poor harvests in many areas of the country. The victims of the famine caused by the drought total 5.2 million to date and it is estimated that this figure will soon reach 6 million as more than 250 people are dying every day. In the meantime, the aid sent by other countries to alleviate the famine has proved inadequate since Ethiopia is frequently granted this humanitarian aid according to restrictive, political criteria and there is furthermore difficulty in transporting some of it to the starving owing to a lack of technical facilities.

In view of this tragic situation, does the Council intend to increase food aid to Ethiopia and to extend this, by way of exception, to other goods (means of transport, etc.)?

Question No 147, by Sir James Scott-Hopkins (H-481/84)

Subject: Famine in Ethiopia

How does the Council of the European Communities intend to speed up the Community's decision-making process, with regard to the commitment of emergency food and medical aid to the Community, to ensure that the delays experienced in assisting the victims of famine in Ethiopia never occur again?

Joint answer

I shall take the questions of Mr Ephremidis and Sir James Scott-Hopkins together, as they all relate to different aspects of food aid and emergency aid to famine-stricken African countries in the southern Sahara and more particularly in Ethiopia and the Sahel.

The Community and the Member States supply a considerable amount of food aid — including vital emergency aid — and, in a great variety of forms, such as rural develop-

ment projects, support for food strategies and prevention of desertification, encourage the individual efforts of the countries concerned towards the essential strengthening of their autonomy and food security.

However, these measures have proved insufficient in the present severe crisis. The Community had to implement two emergency plans, one in April, the other in November 1984. The latter plan provided for immediate aid of 32 million ECU and short-term food aid equivalent to 100 000 tonnes of cereals. The aid is distributed by the NGOs for the large part.

As Dr FitzGerald reminded us in his statement before the European Parliament yesterday, the European Council in Dublin stressed the need for urgent action to avoid the shortages that may arise in the coming months. It calculated the total quantity of food aid to be supplied by the Community and its Member States between now and the next harvest at 1.2 million tonnes. The Commission will submit a proposal on the additional effort the Community could be asked to make to attain this figure. As for the Member States, I am convinced that with improved coordination they will do all they can to enable this target to be reached. In this way, active international solidarity, in which other developed countries and international organizations will join, should eliminate first famine, then malnutrition, in Africa.

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Question No 137, by Mr Elles (H-435/84)

Subject: Seventh Directive on VAT

Would the Council please state the number of hours it has spent discussing the Seventh Directive on VAT to be applied to works of art, collectors' items, antiques and used goods and indicate what the major difficulties are which are preventing adoption of this relevant Commission proposal?

Answer

The proposal for a Seventh Council Directive on common arrangements on value-added tax applicable to works of art, collector's items, antiques and used goods has been examined at length by the Council's subordinate bodies.

As stated in the reply given by the Council on 17 February 1982 to question No H-680/81, examination of this proposal for a Directive by the Council bodies has shown that widely diverging opinions exist among the Member States in this sphere, which it has not yet been possible to reconcile. Some Member States believe, with the Commission, that a special VAT system should be applied, if not to all, at least to some of the goods in question. Other Member States think that there is no economic need to set up special arrangements and would like these goods to be subject to the normal VAT arrangements laid down in the Sixth Directive. Even those Member States which would like special arrangements to be applied do not agree on what form these should take.

Under these circumstances it seems unlikely that a solution will be found to this matter in the near future.

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Question No 139, by Mrs Lizin (H-448/84)

Subject: Lead in petrol and fitting of catalytic converters

Will the Council please indicate the various positions on this matter and the reasons advanced for delaying the German application?

Answer

1. At its meeting on 6 December 1984 on environment questions the Council succeeded in reaching a common position on the proposal for a Directive on the harmonization of the laws of the Member States concerning the lead content of petrol.

The Council and the Commission stressed that the common position worked out was without prejudice to the Opinion which the European Parliament would be delivering on this proposal and in the light of which the Council would take a decision on the adoption of the proposed Directive.

The main features of the position arrived at by the Council on this proposal, which is of major importance for the protection of both public health and the environment, are as follows:

- the date set for the compulsory introduction of lead-free petrol in all the Community Member States is 1 October 1989, the run-up period being necessary to enable the oil and motor vehicle industries to make the requisite investments; however, this provision does not prevent lead-free petrol being put on the market in a Member State earlier than 1 October 1989;
- concurrently with these measures, Member States will, as far as possible, reduce the lead content of leaded petrol from 0.4 g to 0.15 g per litre.

2. As regards the fitting of catalytic converters, the partners of the Federal Republic of Germany expressed their concern at the measures which this country is planning to adopt unilaterally since for many years the emission standards for motor vehicle exhaust gases have been regulated at Community level.

The Council, very much aware of the harm done to the environment and wishing to see a vigorous environmental protection policy implemented, began an immediate examination of the proposals submitted by the Commission and has continued its proceedings intensively in order to reach a Community decision as quickly as possible. In fact, although there has been no Opinion from the European Parliament the Council decided it would be useful to conduct a very detailed policy debate on 6 December. This will shortly be continued.

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Question No 141, by Mr Croux (H-456/84)

Subject: European Foundation

What stage has now been reached in making the Foundation operational, what does the Council see as the relation between the European Foundation and the *ad hoc* committee for a People's Europe provided for in the decisions of the European Council at Fontainebleau in June 1984; to what extent have the European Parliament's resolutions on the European Foundation been taken into account??

Answer

In addition to the points already mentioned in the reply to the question put by Mr Simonds (H-694/84), I am able to inform the honourable Member that the Foundation will shortly be entering its operational phase, as three States have already ratified the Agreement setting up the European Foundation, and ratification procedures are already well-advanced in other signatory States.

Moreover, I already expressed the hope, after the Council meeting on 22 November 1984, that the Foundation would be able to start work towards the end of 1985 at the latest.

As for relations between the Foundation and the *ad hoc* Committee for a People's Europe, I would point out that the mission and priority tasks of the Foundation are defined precisely in Articles 2 and 5 of the Agreement.

I would finally remind the honourable Member that Parliament itself had the opportunity, during hearings organized by the Preparatory Committee, to make suggestions concerning the Foundation's programme.

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Question No 142, by Mr Newton Dunn (H-458/84)

Subject: Failure to take decisions at the Transport Council

Why did the Presidency of the Council fail to have decisions taken at the Transport Council by using majority voting in order to make progress, when they had indicated that they would at Question Time on 24 October?

Answer

I would first remind the Honourable member that during my intervention in Parliament on 24 October, I did not rule out the possibility of majority voting, but only on the basis that such a voting procedure would be in the interest of progress in this field.

The Transport Council meeting on 11-12 December took its decisions under Presidency guidance and in conformity with Treaty provisions.

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Question No 146, by Mr Roelants du Vivier (H-479/84)

Subject: Accession of Morocco

On Monday, 12 November in Brussels, the French Minister for European Affairs, Mr Roland Dumas, confirmed that Morocco had submitted an application for accession to the European Community by means of a letter sent by King Hassan II to President Mitterrand, and that the latter had brought this to the attention of the heads of government of the nine other Community countries at the European Council meeting in Fontainebleau.

Could the Council confirm that the letter containing the official application for the accession of Morocco to the European Community is now before the appropriate Community authorities and indicate what progress has so far been made in the relevant negotiations?

Answer

I would inform the honourable Member that the Council has not received the letter, reputedly concerning an official application by Morocco to accede to the European Community, to which he refers.

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Question No 149, by Mrs Lemass (H-507/84)

Subject: Dublin Bay

Will the Council state whether in the light of the originally agreed 8-year compliance period for Directive 76/160,¹ it is of the opinion that satisfactory levels for bathing water quality have been achieved in Ireland and in Dublin in particular?

Answer

The Council would remind the Honourable Member that, in accordance with the treaty, it is for the Commission to ensure that Member States apply Directives. It is with this in mind, moreover, that Article 13 of the Directive on bathing water (76/160/EEC) stipulates that the Member States shall at regular intervals submit a report to the Commission on their bathing water and the most significant characteristics thereof.

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III. Questions to the Foreign Ministers*Question No 151, by Mr Paisley (H-281/84)*

Subject: Terrorism in the Irish Republic

In a recent statement, a member of the Dail belonging to the Government Party in the Irish Republic, Mr Brendan McGahon T.D. declared that well-known terrorists were living openly in the Dundalk area just over the border from Northern Ireland. Can the President-in-Office state whether the Foreign Ministers meeting in political cooperation will consider this outrageous situation where one Member state of the Community, the Irish Republic, refuses to take effective action against known terrorists intent on committing acts of violence against another Member States?

Answer

The matter raised by the Honourable Member lies outside the scope of European Political Cooperation.

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Question No 152, by Mr Selva (H-295/84)

Subject: Killing of two European volunteers in Mozambique

What steps have the Foreign Ministers taken and what can they do to establish the real circumstances in which two Italian volunteers, Alvise de Toni and Leonardo del Vescono, were kidnapped and killed in Mozambique, given the ambiguous nature of the Mozambique Government's report of their deaths?

Answer

This matter has not been the subject of discussion in European Political Cooperation.

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¹ OJ No L 31/76.

Question No 155, by Mr Kyrkos (H-315/84)

Subject: Execution of a Turkish opponent of the dictatorial regime

Do the Foreign Ministers meeting in political cooperation intend to protest vigorously against the execution by the Ankara authorities of a young Turkish opponent of the dictatorial regime and demand that the judicial murders to which Evren's junta is having recourse in order to deal with the growing reaction of the Turkish people be brought to an end?

Answer

While the use of the death penalty as such in Turkey has not been the subject of discussion in European Political Cooperation, the Ten particularly regret on humanitarian grounds the recent executions and death sentences in that country. The concern of the Ten regarding the current human rights situation in Turkey is well known.

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Question No 156, by Mr Balfe (H-320/84)

Subject: Nicaragua

Further to his answer at the October part-session, will the Foreign Minister make a statement on Dr Hooker, and on recent events in Nicaragua and the attitude of the Community towards that country?

Answer

Recent press reports indicate that Dr Hooker was released at the end of October;

The Ten hope that the recent electoral process in Nicaragua will prepare the way for a comprehensive national reconciliation;

It is recalled that the ten Member States of the European Community have constantly expressed their conviction that the problems of Central America, including Nicaragua, cannot be solved by armed force, but only by a political solution springing from the region itself and respecting the principles of non-interference and inviolability of frontiers. In this spirit, the Ten have expressed clearly their support for the efforts of the Contadora group, most recently at the San José conference. At that conference, the Ministers of the Community also declared themselves ready to start discussions as soon as possible with a view to negotiating an inter-regional framework cooperation agreement with all the countries of Central America, including Nicaragua.

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Question No 159, by Mr Adamou (H-333/84/rev.)

Subject: The situation in South Africa

What measures have the Foreign Ministers taken in view of the deteriorating situation in South Africa where protests by the Africans are taking place on an increasingly massive scale whilst the authorities, who killed another four Africans on 20 October 1984, are adopting an increasingly criminal stance?

Answer

The Ten are gravely concerned at the continuing unrest in South Africa and regret the loss of life. The Foreign Ministers expressed this concern in a declaration on South Africa issued on 11 September and subsequently in presenting the declaration to the South African authorities. The Foreign Ministers considered that the violence and rioting reflected, *inter alia*, the frustration of black South Africans at their deliberate exclusion from the political process and at the denial to them of adequate political means to express their grievances.

The Ten remain convinced that early progress towards the abolition of apartheid and the introduction of constitutional arrangements which will include all South Africans fully and equally in the political process are required if further conflict and violence are to be averted.

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Question No 161, by Mr Pearce (H-350/84)

Subject: Supply of arms to Iraq

In view of the alleged large-scale supply of arms to Iraq from a Member State, will the Ministers meeting in Political cooperation better coordinate their policy on arms sales to areas of conflict in the world?

Answer

As has already been stated on previous occasions, most recently in the reply given to a similar question by Mr Blumenfeld (H-185/84) on 10 October last, the Ten have no common policy in regard to arms exports.

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Question No 162, by Mr Ferruccio Pisoni (H-366/84)

Subject: The problem of the 'desaparecidos's (missing persons)

In view of the resolutions adopted by the European Parliament¹ and of the Sabato report to President Alfonsín, together with the President's pledge to ensure that justice is done regarding the tragic plight of the 'desaparecidos' and the dissatisfaction of their families, who continue to demand justice and the truth, have the Foreign Ministers made representations to the Argentinian authorities requesting that those responsible be prosecuted?

Do the Foreign Ministers not believe that such requests may persuade the Argentinian Government that justice is done as soon as possible, thereby helping to strengthen the process of democratization and to reaffirm the legitimate rights of the families concerned?

Answer

The Ten have on several occasions in the past made known to the Argentinian authorities their views on the question of the missing persons in Argentina, and have continually followed the evolution of the situation.

¹ OJ No C 172, 2. 7. 1984 and OJ No C 322, 28. 11. 1983.

The Ten note with satisfaction that a thorough investigation of the fate of missing persons in Argentina has been carried out at the initiative of the present Government of that country.

The Ten hope that, following the presentation in September 1984 of the report of the investigation (the Sabato report), the necessary steps will be taken to ensure that the cases of gross violations of human rights which occurred in Argentina are dealt with in accordance with normal judicial procedures.

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Question No 163, by Ms Quin (H-379/84)

Subject: Recent political events in South Africa

On 11th September 1984 the Foreign Ministers meeting in political cooperation made a joint declaration on South Africa.

What further action have the Foreign Ministers taken following this declaration and, in particular, what action have they taken concerning the position of the political refugees in the British Consulate in Durban?

Answer

As envisaged in the declaration on South Africa, the Presidency's representative in Pretoria made a formal *démarche* to the South African authorities expressing the Ten's concern at recent events and seeking the release of those who had been detained without charge.

The position of the three people who remain in the British consulate in Durban has not been discussed in European Political Cooperation.

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Question No 166, by Mr Mallet (H-434/84)

Subject: General Jaruzelski's official visit to Greece

In view of the strength of the feelings aroused in the Member States of the Community by the murder of the Reverend Father Popieluszko, do the Foreign Ministers meeting in political cooperation consider it appropriate for a Community Member State to receive an official visit from the head of the Polish junta before all the facts in this case have come to light?

Answer

With your permission, I would like to deliver a joint reply to this question and to Question No H-443, which relates to the same incident.

The Ten have not discussed the question of a visit to Greece by Prime Minister Jaruzelski.

As regards the murder of Father Popieluszko, which shocked and saddened the Ten, and which they deplore, the Ten have noted the stated determination of the Polish authorities to disclose the perpetrators and possible initiators of the deed without distinction of person. They will continue to follow this matter with the closest attention.

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Question No 167, by Mr Seligman (H-436/84)

Subject: The Western European Union

In view of the apparent intention of some Member States to intensify their activity in the Western European Union on matters of security, is it the intention of the Council of Foreign Ministers meeting in political cooperation to establish a dialogue between the EEC and the WEU, in particular, in connection with procurement of defence materials manufactured within the EEC and the security of supply lines of raw materials and energy, which originate from areas outside the borders of the EEC?

Answer

There are no plans by the Foreign Minister meeting in Political Cooperation to establish such a dialogue. There are no discussions of relations with the Western European Union within the framework of European Political Cooperation. The Ten as such do not take a position on discussions within the WEU.

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Question No 168, by Mr Moorhouse (H-443/84)

Subject: The death of Father Jerzy Popieluszko

Will the Ministers join with the European Parliament in expressing their grief to the Polish Government, to the Polish Church, and to the Polish People on the tragic death of Father Jerzy Popieluszko?

Answer

See text of reply to question H-434/84 on the same subject which was a joint reply to both questions.

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Question No 172, by Lord Bethell (H-488/84)

Subject: Soviet invasion of Afghanistan

What plans do the Ten have to commemorate the 5th anniversary of the Soviet invasion of Afghanistan?

Answer

The Ten will issue a joint statement to mark the 5th anniversary of the Soviet military intervention in Afghanistan.

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Question No 173, by Mr Chantierie (H-494/84)

Subject: Nuclear cooperation with Libya

What is the position of the Ministers on nuclear cooperation with Libya?

Answer

The Ten have not taken a position on the specific question of nuclear cooperation with Libya.

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Question No 174, by Mrs Crawley (H-503/84)

Subject: Northern Ireland

Given the history of active European Parliament concern with the conflict and bloodshed in Northern Ireland, and in view of the total rejection by Mrs Thatcher and her government, a Member State of the EEC, of the three major proposals offered in the New Ireland Forum Report, which 'was established for consultations on the manner in which lasting peace and stability could be achieved in a new Ireland through the democratic process and to report on possible new structures and processes through which this objective might be achieved', and of Mrs Thatcher's blatantly dismissive attitude to the acknowledged growing alienation of the nationalist minority in the North of Ireland.

What possible course of action, if any, do the Foreign Ministers see left open to the democratic forces in Ireland to realistically find a non-violent solution to the goal of a united Ireland?

Answer

The matter referred to by the honourable Member has not been discussed within the particular framework of European Political Cooperation.

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IN THE CHAIR: MR NORD

Vice-President

The sitting was opened at 10 a.m.¹

1. *Verification of credentials*

President. — At its meeting of 12 December the Committee on the Verification of Credentials examined the credentials of Mr Collinot, Mr Flosse, Mr Longuet and Mr Marchais and found them to be in order. I would propose therefore to the House that these appointments be ratified.

Mr Rogalla (S), chairman of the Committee on the Verification of Credentials. — (DE) May I point out that this completes the verification of all the credentials in this House. I also want to take this opportunity to point out that the Committee on the Verification of Credentials, to which little attention is usually paid, is a very important committee; although it is seldom

regarded as a real committee, it plays a decisive part in legalizing the activities of all the Members.

(Parliament ratified the appointments)¹

2. *Agenda*

President. — In yesterday's sitting the question was raised of a possible continuation of Question Time for questions to the Commission. As you know, there was not a full 90 minutes for it this week. Seeing that the agenda for this week has got into a hopeless muddle and that there are still a number of important debates to be got through, the enlarged Bureau has considered this whole question and has come to the conclusion that if Parliament wants an extra half-hour to be set aside for questions to the Commission, the only time this can be done is tomorrow, Friday, at the end of the agenda. If the House so decides, then that is what we shall do.

I must, however, point out that this will cause the Commission considerable technical difficulties. It means that an enormous number of documents will have to be translated into other languages. There

¹ *Approval of the Minutes: see Minutes.*

¹ *Written declarations (Rule 49): see Minutes.*

President

could be objections to this also, it seems to me, from Parliament's point of view, inasmuch as a number of authors of questions will not have any prior knowledge of this arrangement and perhaps will not be able to be here tomorrow morning at the end of the agenda. Nevertheless, since it was Parliament's wish that the Bureau should consider this question, I shall consult the House on whether it wants an extra half-hour inserted into tomorrow's agenda for questions to the Commission, which would thus come at the end of the agenda for tomorrow morning.

Mr Patterson (ED). — I just wish to observe, Mr President, in support of this proposition that there are 90 outstanding questions to the Commission. If a proportion of those 90 questions' authors can't turn up, it is a pretty poor lookout. I am sure we shall find them.

Mr Rogalla (S). — (DE) I must say that I am disappointed that the Bureau obviously does not consider Question Time as important as I do; for I would have considered it appropriate for this Question Time, which still has to be dealt with, to be put at the beginning of tomorrow's agenda, if not possibly combined with the vote this afternoon. That is most important for those who do not have the advantage of being group chairmen or members of the Bureau of this House, for they too want to carry out their political tasks and are best able to do so during Question Time. I was very keen to express this view publicly and also to call on my colleagues to make more use of the instrument of Question Time in future for questions to the Commission and to the Council, for it represents an important link with our citizens.

Mr Griffiths (S). — Mr President, we discussed this in the enlarged Bureau yesterday, only very briefly. On further consideration I feel that if the half-hour provided for Question Time is going to be effectively used it could best be used this afternoon after the vote on the budget, because if the budget is rejected it will be a very short vote and it would allow the half-hour to be used there. There would be more Members here and the Commission would have an opportunity to answer as they originally intended. I would put that forward as an alternative proposition.

Mr Fitzgerald (RDE). — Mr President, I think it is an advance that the Bureau accept at least that the short time allowed for Question Time to the Commission on Tuesday was ridiculous. I certainly think Mr Griffiths is right and his suggestion is excellent.

I asked for the floor, Mr President, to request your guidance on that very same subject because two days ago I asked for a written reply to Question No 36 that I had submitted to the Commission, which had been on the order paper for quite some time. I had expected, as would be appropriate in normal parlia-

mentary procedures, to have that reply on the day. That question concerned a major study of my own city and country region of Cork, and up to now I have not yet had a copy of that written reply.

I would have assumed that that reply was prepared by the Commission if they were serious in their replies here to Members' questions. I certainly cannot understand the delay from Tuesday to now in getting that answer. I need your help and assistance. But I think if we are talking about an extra half an hour too, both the staff of the House and the Commission must regard Members' intentions at Question Time as being very serious.

President. — Mr Fitzgerald, I am sorry to interrupt you, but this is not the point at issue at the moment. I am sure that the Commission will be able to inform you about it.

Mr Fitzgerald (RDE). — You would agree that it is relevant though, wouldn't you?

President. — I am not saying that it is irrelevant, but it is irrelevant to the point at issue at the moment, which is whether or not we are going to extend tomorrow's sitting by an extra half-hour for questions to the Commission. That is the only point at issue.

Mr Narjes, Member of the Commission. — (DE) Mr President, the Commission also welcomes the instrument of Question Time, because it gives us an opportunity to present our policies. If it should now be decided to add half an hour's Question Time tomorrow, that would mean the Commission would have to have the outstanding 90 questions translated into the languages of the Members assembled here tomorrow, for it certainly does not know how many Members will be present and cannot rely on the usual procedure under which only 15 to 20 questions need to be translated for the half-hour. So I would ask these Members — if they take this decision unilaterally — also to take this technical aspect into consideration and to view the linguistic quality of the answers in this light.

As for Question No 237 by Mr Griffiths, we forwarded the answer to the Bureau on the evening of Question Time.

President. — I would propose that we now proceed to take a decision. The House has heard all the arguments for and against. I do not think that I can really propose to the House that the extra half-hour be fitted in this afternoon, as that would only have the effect of throwing the agenda already established into further disarray. I am of the opinion therefore that the enlarged Bureau was right in suggesting that if an extra half-hour must be fitted in, that should be done

President

tomorrow morning. You have also heard the arguments advanced by the Commission against this course of action. I feel that the time has now come to take a decision.

Mr Habsburg (PPE). — (DE) We have two different proposals for tomorrow, one for the beginning and one for the end of the agenda. I would respectfully submit, Mr President, that we should vote separately, first on the question relating to the *beginning* and then on the question relating to the *end*.

President. — I am sorry, Mr Habsburg, but I think that we should not complicate the matter even further. I have put to the House a proposal from the enlarged Bureau and I propose that we now vote on that.

(Parliament approved the proposal from the enlarged Bureau)

Mrs Viehoff (S). — (NL) Mr President, I do not want to take up the House's time, but I should like to know when this half-hour is to be added on. We have to deal with a number of important matters tomorrow. My fear is that, for example, the report on biotechnology, on which the Council has asked the House to deliver an opinion, will be squeezed out. I hope in any case that the half-hour that is to be added to the agenda will be tacked on at the end and not at the beginning.

President. — Mrs Viehoff, the proposal that I have just put before the House and that the House has just approved was that the half-hour should be added on at the end of tomorrow's agenda. This is what Parliament has decided and I can permit no further discussion on this point, since the vote has now been taken.

Mr Fitzgerald (RDE). — Mr President, I shall be very brief and I will not delay the House. I think I am entitled to ask you what happened to the questions to which I asked for a written reply. The Commissioner has stated — and I thank him for the statement — that the reply material was passed on to Parliament. How come it has taken two days for the staff of Parliament to pass that reply to me? I demand a reply now, Sir, or when you have had an opportunity of examining it.

President. — I am glad, Mr Fitzgerald, that you at least allow me the opportunity to examine it before giving you a reply 'now'. I will examine it and you will have your reply.

3. Topical and urgent debate (Exports of steel tubing to the United States)

President. — The next item is the joint debate on five motions for resolutions:

- the motion for a resolution (Doc. 2-1195/84) by Mr De Gucht, on behalf of the Liberal and Democratic Group, on the breaking off of the negotiations on an agreement for a voluntary limitation on Community exports of steel tubes and pipes to the USA;
- the motion for a resolution (Doc. 2-1197/84) by Mr Piquet and others, on behalf of the Communist and Allies Group, on imports of steel pipes and tubes to the USA and the new American Trade Act;
- the motion for a resolution (Doc. 2-1201/84) by Mr Wagner and others, on behalf of the Socialist Group, in protest at the sudden and complete US ban on EEC steel tube and pipe imports and a demand for firm and effective counter measures and consistent, united action by the Community;
- the motion for a resolution (Doc. 2-1213/84/rev.) by Mrs Van Rooy and others, on behalf of the Group of the European People's Party, on American measures to limit imports of steel pipes from the EEC;
- the motion for a resolution (Doc. 2-1222/84) by Mr Mancel and others, on behalf of the Group of the European Democratic Alliance, on the recent limitations imposed by the United States on imports of certain steel products from the Community.

Mr De Gucht (L). — (NL) I believe Parliament is sufficiently acquainted with the main points of this dossier, and I should therefore like to devote this short speech to touching briefly on four political points.

First, I think that the doubletalk used by the United States of America has gradually become unacceptable. It is very easy to throw oneself into an economic summit conference as the great champion of free world trade and yet to act in just the opposite way. There have been only a few weeks between the Economic Summit of London and the Omnibus Trade Act, but the atmosphere is entirely different. As Europeans we cannot accept this and we need not suffer from a bad conscience as a result.

A second point, Mr President, is the particularly provocative, unilateral and general nature of the measures now adopted by the United States. The Act actually comes down on all products, even on those which at present American industries cannot produce in sufficient quantities for their own American market. Even for those products a general import ban is proclaimed, and that is entirely unacceptable and, as I say, provocative.

A third point, and perhaps the most important, is the rapidly deteriorating relations on the economic plane

De Gucht

between the United States of America and the EEC, and the danger arising as a result for world trade and the world economy in general. At this moment we are on the threshold of a recovery of the world economy which must gather strength if we are to make any headway against this very troublesome problem of unemployment. But economic relations between the United States of America and Europe are actually evolving at the moment in the direction of a spiral of protectionism which is very dangerous for a recovery of the world economy. And I think that we, as the European Parliament, ought to call very special attention to the position. It may keep us much longer than necessary in a state of economic crisis.

In conclusion I should like to call upon the European Commission — and I think this is something that the European Parliament *must* do — to adopt the appropriate measures so as not to end up in that spiral of protectionism. The Commission's attitude must be resolute, because the United States of America must understand that we cannot tolerate such behaviour. On the other hand no measures must be adopted which may subsequently be seen as totally irrelevant for both sides. I think we must speak resolutely as far as the United States is concerned. I also think we must manage to find our way out of this *impasse* and secure the withdrawal of these measures in mutual consultation.

Mr Wurtz (COM). — (FR) Mr President, America's abrupt decision to limit imports of European steel tubing was taken while negotiations were in progress. The Community had even already announced a 50% reduction in its exports of tubing to the United States. This matter should be viewed in the wider context. Which is giving increasing cause for concern and which demonstrates once again how in matters of trade the United States takes advantage of the least sign of weakness.

This overbearing attitude on the part of the United States is not new, but it is unacceptable. Everyone will remember how, in July 1983, the Americans unilaterally broke the October 1982 steel agreement. Belatedly the Community took some retaliatory measures. But our reaction today must be on quite a different level. For our part we have no hesitation in talking about a European trade counteroffensive against the United States. We do in fact understand perfectly what is at stake in the new trade law, better known as the *Omni-bus Trade Act*, which the American Congress passed in October. Today, steel. Tomorrow it will be agricultural products, especially wine.

That is why we believe the time has come to make a solemn declaration and to prove to our American partners that the European Community is determined to defend its interests and that henceforth it will use all the resources available to it, and will further consolidate them if necessary, in order to assert its rights.

Europe holds some trump cards. Let us play them. Europe will win with them and America will respect us. Perhaps then cooperation between us and the United States will take on a different aspect.

Mr Wagner (S). — (DE) Mr President, ladies and gentlemen, may I say at once that I can still claim four minutes for my group and can therefore speak for six minutes. I presume you will agree to this, Mr President, and that your officials will also take note of this.

First I want to thank those honourable Members who have managed together to produce a joint motion for urgent debate on this very decisive and important and difficult conflict. I consider that very important. The European Parliament can only assert its influence and motive force if in such hours of decision we have a large and solid majority behind our opinion and our demands and also in support of the Commission, which has acted speedily and rationally. I am most grateful for that. As regards our activities in the Committee on Economic and Monetary Affairs and Industrial Policy, that attitude should guide us to joint action in future too, so that we do not end up with pure confrontation and with Parliament losing its influence and motive force. That would only do it harm. We must struggle to reach compromises here, so that in questions concerning the very life of Europe we Europeans are jointly able to act positively and effectively in the interests of the people for whom we are responsible.

The subject with which we are concerned today shows that steel protectionism, which has been simmering away for some months, has now reached boiling point. As early as September we Socialists tried to submit and pass an urgent resolution in order to give a last-minute warning. Most unfortunately, we failed because of a majority which held other views.

In our steel report in 1983 we already warned what would happen to us if we did not discuss the matter together in time, so as to build up confidence and seek common viable solutions. Alas, the warning was ignored. We take the view that this first-ever total ban on imports and sudden break of negotiations with friendly European countries must remain a once-only event and we condemn this US Government move utterly.

(Applause from the left)

We are threatened with a general trade war, which we would all have to pay for, both the workers and large sections of the public in the USA and in Europe. That would set a bad example for the world. That is not the way to act, especially among friends, and that is why we must also speak plainly among friends. We must be outspoken, then our friendship will survive and hold fast. That is most important, also and especially in economic questions, so that we can combat the

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employment crisis and the evils of mass unemployment. That is what we are measured by, and the strength of other agreements will also depend on it.

Let me turn to a few specific points. We call on the US Government to return immediately to the rules of the GATT and of friendly cooperation in the framework of the OECD. We call on them to suspend their sudden unilateral decision and to resume the broken-off negotiations. Their goal must be — and that was what the Europeans were prepared and offered to do — to obtain a self-restraint agreement on a quota of 7.6% (+ special quotas) of the US steel pipe market, to halt the escalation which colleagues also mentioned, for otherwise it is bound to lead to a general trade war, which we certainly do not need now on top of all the difficulties we already have.

I now want to warmly thank the two Vice-Presidents, Mr Haferkamp and Mr Davignon, for the time and work they have devoted to our interests, for their diplomatic skill and their constant personal endeavours in the past and most recently. I wish them great success in the negotiations in the coming days.

A final remark: we must also warn the US Government not to depart from the self-restraint agreement for bulk steel which runs till the end of 1985. The situation and the times now call for building up confidence rather than undermining it by provocative unilateral measures. We need worldwide peace, especially in this much disputed field, in which steel crises and restructuring demand enormous social sacrifices. We Europeans are measured by whether we only talk about giving Europe a human face or whether we also act accordingly. I ask for wide support for this joint motion for a resolution, so that Europe can show its human face by its deeds and does not disappoint the people who place their hope in us.

(Applause from the left)

Mrs Van Rooy (PPE). — *(NL)* Mr President, the American ban on the import of steel tubes is incomprehensible. A week earlier, at the time of the GATT Conference, the Americans were still setting themselves up as the great advocates of free trade. Hardly is the ink on the agreement dry, however, than the American Government, without prior consultation, adopts a unilateral measure to restrict the import of steel tubes, which is at variance with GATT and is purely protectionist. We condemn the American action without reservation and we are extremely concerned about the resulting tense situation in regard to trade policy.

In negotiations with the US, the EEC showed itself very clearly prepared to reduce this year's high import figures as far as next year is concerned. There was on the table an agreement in principle to which American government representatives had given their assent. The

fact that the American Government nevertheless rejects this agreement, which was already a very difficult step for the EEC to take, is in itself reprehensible. But it is a slap in the face for the EEC when the Americans then, in addition to adopting unilateral measures, fail to come and sit round the negotiating table again.

My group is also very worried that this unilateral American embargo will be the start of further problems in trade policy. We regret that very much, but we suggest in clear terms that the European Commission will be acting absolutely correctly and justifiably if it has in preparation counter-measures in conformity with the GATT Treaty. We entirely support the Commission's policy in this matter. But if it comes to measures of this kind, the responsibility lies fairly and squarely with the American Government.

But, Mr President, the American Government must take the first step and be ready to resume the negotiations. We must hope that the American delegation which is coming to Brussels on Friday with some such message will do so.

My group is also concerned about the unilateral American measure for another reason, namely, that this represents in fact the first trade policy measure adopted by a new American administration. Is this a sign of a more aggressive trade policy line to be followed by the Reagan Government? We, of course, understand the difficult situation in which the US finds itself with a balance of trade deficit of some 100 000 million dollars. But it is naturally absolutely irresponsible to try to find the solution in more protective measures. The solution must be found in an adaptation of domestic policy as a result of which the pressure on the dollar may be eased. The Americans are themselves to blame for the high rate of the dollar and must not then shift the burdens to third countries.

Ordinary commercial law no longer covers a situation where a currency which has strongly appreciated has the effect of sucking in imports, and that applies naturally also to tubes.

We are also greatly disturbed that the American Government so readily hangs its head before its own industry. The self-evident ideas of the American steel industry clearly weighed more in the balance than the agreement in principle made between the European Commission and the American authorities. This attitude on the part of the American Government is entirely at variance with the United States' responsibility for maintenance of freedom of world trade. It demonstrates great arrogance towards the trading partners of the US, in this case the EEC, and an insensitivity towards the problems with which the EEC is confronted as a result of this import ban. This is not the way to behave towards an important friendly trading partner.

Mr Juppé (RDE). — *(FR)* Mr President, ladies and gentlemen, once again the Community is the victim of

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protectionist measures which are affecting its exports to the United States in an extremely sensitive sector of industry: the iron and steel industry.

The measures which the American Government have just taken come as no surprise to us. They had in fact been in the air for several months. Initially the President of the United States played for time, despite pressure from American professional organisations. Then he yielded under the pressure, and the decision which he has just taken is a serious one.

It has serious consequences for the operation of international trade. It has serious consequences for trade between the Community and the United States. Finally, it has serious consequences for the future of the Community iron and steel industry.

Mr President, ladies and gentlemen, enough is enough. The voluntary restraint arrangements which have already been made with the United States in respect of a whole range of products have already resulted in a significant reduction in the American markets for Community products, very often to the benefit of other suppliers. Following the new legislation, the American administration will be able to reduce the Community share of the United States market from 14.5% to 5.9% over the next few years.

We must be forceful in our condemnation of these new measures. They are inadmissible in law, because they have been taken unilaterally in contempt of the GATT rules governing international trade and in contempt of the resolutions passed at the recent world economic summit in London. They are also inadmissible as regards the content, because they penalize the Community iron and steel industry in a discriminatory and unjustifiable manner. We therefore formally request the Community bodies concerned not just to condemn this decision but also to adopt the measures necessary to achieve a negotiated settlement of the problem, or, should that not be possible, to initiate effective retaliatory measures within the framework of GATT.

Mr Hindley (S). — Mr President, the first speaker was quite right to draw our attention to the glowing declarations of belief in free trade issued by President Reagan and Mrs Thatcher at the World Economic Summit.

Those of us on this side of the House held those declarations to be sham, a mere public relations statement delivered by two people who either at that time realized the hollowness of their statements and cynically intended to go back on them as soon as it suited their own interests, or who still — and this will be extremely dangerous for the world economic order — actually believe in what they are saying.

The hollowness of the claim that free trade is either desirable or even practicable is clearly shown by this

latest incident concerning the export from the EEC to the United States of steel tubes. What we have had so far in the steel trade is a negotiated bilateral agreement, something which we as Socialists fully believe in because we are talking about managed trade. If this negotiated agreement was overstepped — the 7.6% — we would maintain that that is more due to the overpricing of the American dollar rather than willful breaking of that agreement by the European Community.

The Reagan Administration seems bent on reviving its own economy at the expense of the rest of the world and has, under protectionist pressure from its own steel industry, unilaterally broken those agreements. I must say — and we must be honest — that I have considerable sympathy with the US's desire to protect its own steel industry and employment in that field when we consider that the European steel industry and the steel industry in the UK have been devastated by closures, closures which amounted in my own country to 3 400 jobs in steel tube- and pipe-making last year alone.

If I might digress slightly, although with great relevance, it is precisely this kind of social deprivation which the National Union of Mineworkers is seeking to avoid and prevent through its heroic and fully justified strike action. There are in fact many contradictions and some irony in the EEC, an institution which has made a fetish of free trade, complaining that bilateral trade agreements have been broken. What we need is for the US to return to the negotiating table. Clearly there is a moral onus on them to do so.

Those negotiations have to have as a baseline the 7.6% with a contingency clause for products which are not produced in the United States. What we need is balanced 'managed trade' on steel with the USA. We must recognize that free trade will inevitably degenerate into unilateral protectionism and counter-protectionist measures. I would warn the Commission and Members of this Assembly against rash, petulant calls for retaliation, which would further exacerbate the situation. The United States must return to the negotiating table, there must be an agreed trade arrangement on steel products, and we hope that such agreement will serve as a model for other bilateral 'managed trade' agreements to the benefit of the West European economy.

(Applause from the Socialist benches)

Mr von Wogau (PPE). — *(DE)* Mr President, ladies and gentlemen, the groups which jointly submitted this resolution are concerned about the escalation of protectionism on both sides of the Atlantic. However, I must say that the speakers from the Labour Party have no right continually to complain about the protectionism of others while calling for protectionist measures for their own country and constantly applying them in

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the past, to the detriment of their own country. British industry would have been much more competitive otherwise.

We must bear a few facts in mind. The high interest rate in the United States and the strong dollar have led to an influx of imports and an external trade deficit which has increased the pressure for protectionism in the United States. That is, naturally, particularly evident in the US Congress.

We must point out to our friends there that there are steel problems on both sides of the Atlantic and that one should not try to resolve these problems simply by blaming them on one's partner on the other side of the Atlantic. I think it was a bad sign that after its selection the American Government quite coolly rejected this Community proposal, put together with difficulty, and imposed an import ban until the end of this year.

We must make our views about this quite clear and urge the USA to withdraw these measures. That is why in our joint resolution we also call for the compensatory provisions in the GATT really to be applied. If these compensatory measures are to be effective, then they must naturally also relate to other sensitive areas in addition to steel, such as, for example, coal, agriculture and the chemical industry, which are expressly mentioned in our motion as alternatives and possibilities.

There is one thing I want to make clear. We do not want a Europe-America trade war. I think this January will give Parliament a good opportunity to make a practical contribution to ensuring this, for that is when the next meeting between our delegation and the US Congress will be taking place and members from both sides of the Atlantic will be meeting in Brussels. That will offer those colleagues taking part a good opportunity to urge that the US measures are brought to an end as soon as possible and do not lead to a trade war, which could only harm both sides.

Mr Cassidy (ED). — I rise to speak in support of the amendment tabled by my colleague, Mr Ben Patterson, and others to the motions that are before us.

It is a pity that these unilateral United States moves happen to have come in 1984, the first year when the European Economic Community was well set towards having a trade surplus with the United States. These United States moves are incompatible with the spirit of the General Agreement on Tariffs and Trade. These United States moves result from their own policy of a strong dollar, which has had the effect of sucking in imports. These moves are inspired by the strength of the steel lobby in Washington. They discriminate against the European Economic Community more than they discriminate against other shippers of steel, such as Brazil, South Korea and Japan, whose exports to the United States have increased by more than those

of the EEC. Retaliation within the context of the General Agreement on Tariffs and Trade is not to be ruled out. In particular, we need to concentrate our attention, and the Commission needs to concentrate its attention, on those sensitive sectors which have at their disposal a more powerful lobby in Washington than that of the steel lobby. In particular, may I direct the attention of the Commission to the possibilities of retaliation in agriculture, electronics and defence expenditure.

Mr Bonaccini (COM). — *(IT)* Mr President, ladies and gentlemen, I have little to add to what has been said by all the previous speakers. I should only like to express satisfaction at the broad consensus that the Groups have been able to achieve and to point out that such a consensus is the necessary condition for all efforts to find a positive solution to this quarrel. We hope therefore that the conflict can be resolved favourably for Europe and for our trade with the United States.

The problem which we face here in Europe, as in the rest of the world, is that of the division of labour, and it is not a problem that can be solved either by the sword or by unilateral action. A whole series of considerations come into play, but we do feel that in coming to its decisions the American Government should bear in mind the special role of the European Community and take it into account.

It is in this spirit that we have contributed to the working out of the compromise which, as far as we are concerned, closes the debate on this item, and we shall be attending in the same spirit the meeting with the American delegation, determined to defend to the end the interests of Europe's peoples and workers and to find a satisfactory solution to the issues which have been raised.

Mr Fitzgerald (RDE). — Like the other speakers I too support these motions, and I am glad of the brief opportunity of speaking in this urgent debate on the unilateral decision of the United States Government to cut the EEC's share of the steeltube market over the next two years. I support those speakers who say that we should not have a battle; we should not enter into a trade war. We are being offered an ideal opportunity to reach agreement on the occasion of the visit of the US delegation to Brussels in early January. In fact, at the last meeting of our delegation, I raised the point that it was a matter which should be debated and should be discussed. At the time that was not proceeded with because it was thought that our problem with the American steel industry was at an end. All I can say is, I am sorry it is not at an end, but it was fairly obvious then that it was not going to be.

I believe that decisions such as the one we are discussing here today can only cause further problems for the

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Community's already hardpressed steel industry. It can only create further fears for the future. I believe that the forum we are offered in January is an ideal opportunity.

Irish Steel Holdings is the only steel industry in my country. It is a state company which has been assisted by government and European funding and it can only suffer, just like the other parts of the European steel industry. It is my country's only steelworks and is a large employer in the employment-starved region of Cork.

I want to refer briefly to the Community's failure to implement a shipbuilding policy. I believe that shipbuilding is one of the biggest users of steel, and I tried unsuccessfully to have an urgency motion on it put down.

In conclusion, might I say that whether the steelworks be in Humberside, in Tyneside or by Leaside, they are equally important, and I regret the Socialist decision on the last occasion in this House not to support my motion on shipbuilding.

Mr Ulburghs (NI). — *(NL)* Mr President, the laws of economics are governed by the principle that might is right. That is illustrated by the current egoistic protectionist measures of the United States. It is also illustrated by the closing down of European branches of American multinationals, such as Blue Bells at present in Belgium. It is exactly the same law which determines the economic relations of the rich countries with the poor countries in the Third World. Just look at the failure of the UNCTAD conferences! If we wish to be regarded as valid trading partners for the United States, then we in Europe must take the following steps:

1. We must strengthen the internal European market and plan our priorities in regard to production for our own needs;
2. We must strengthen our own European currency;
3. We must develop Europe's own scientific research and develop our welfare system instead of demolishing it as the United States is doing.

Finally greater economic autonomy must make Europe both politically and militarily independent, not merely as against the United States but also as against both great power blocs in the world.

Mr Moorhouse (ED). — Mr President, it is all too easy to shoot from the hip, but I am going to try and look behind some of the problems which face us in this immediate area and indicate how we see the limits of our support for motions attacking United States trade policy in general and its policy in the steel sector in particular.

Firstly, we share with Members of this House a general frustration and disappointment about the clear protectionist drift in the United States. However, we should be clear, I think, that this largely originates in Congress and not in the White House. It is a response to lobbying from declining industries reluctant to face the effects of international competition. It is a pernicious threat to the world trading system, coming as it does from the traditional bastion of international free trade and an open world economy. If the USA enjoys a strong dollar, it is likely to have a heavy trade deficit. It cannot escape the consequences of its own domestic, economic situation by imposing trade restrictions and still remain a responsible partner in the world economic system. However, I do believe that the Reagan administration, to its credit, has proved in large measure an admirable defender of free trade in principle and has nobly resisted protectionist reflexes on Capitol Hill. Think how much worse the situation could have been than it is today in the general field.

Secondly, we warmly welcome the US administration's commitment to a new GATT round based on liberalizing trade in services and in agriculture. By contrast to this positive move to help end recession, the lukewarm response of the European Commission should be condemned, in our opinion, as shortsighted and overly servile to declining industries and the powerful agricultural lobby.

It is all very well, Mr President, for this House persistently to condemn the US for succumbing to protectionist temptations in the face of recession, but our own consciences are scarcely clear. In steel, in agriculture, in textiles we already have elements of protectionism in Europe. We are bad offenders ourselves, and our consumers are the poorer for it everyday.

With that measure of reservation we support the joint text.

Mr Narjes, Member of the Commission. — *(DE)* Mr President, the Commission is grateful to the European Parliament for the motions for resolutions on the American import restrictions on steel pipes from the Community tabled by the various groups. It is also grateful for the appreciation expressed on many sides during this debate of the way the negotiations have been conducted by the two colleagues responsible. The US move does indeed give cause for concern in many respects. In our view it is legally untenable and politically regrettable.

The European Community was prepared to halve its steel pipe exports to the United States in the coming year compared to this year. The rejection by the American steel industry of this agreement, which had already been reached *ad referendum* on 17/18 November between Mr Davignon and Mr Haferkamp on the one side and Ambassador Brock, the American trade representative, on the other and which the Council

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had already accepted as a basis for negotiation on 22 November, now risks leading to an open trade dispute. That is neither in our interest nor, I think, in the American interest. The Commission is resolved to apply all the European Community's rights under the GATT, including — if this should prove inevitable — possibly resorting to measures to compensate for the damage suffered.

In view of the negotiations which may take place today, tomorrow and Saturday, I would rather not discuss in detail the products which may be involved. They can only be products which also affect those American exports which are important to them in every respect. With a view to protecting all our GATT rights and if necessary taking the necessary proceedings, the Commission has asked for a special meeting of the GATT Council to be convened, which will take place in Geneva on 17 December, that is, next week.

The volume of trade affected by the American measures is substantial. On average over the three years 1981-1983, the Community exported 866 million US dollars worth of steel pipes to the United States. The import quota now fixed by the Americans, namely, 5.9% of American consumption in 1985, would be worth 246 million dollars. According to these calculations, the trade loss for which we could claim compensation would be as much as 620 million dollars. We estimate the loss to us as a result of the total import ban in December at a further 80 million dollars. Then there are also the financial costs to our exporters and importers because the pipes now on the high seas will have to be taken temporarily into bonded warehouses when they arrive in the USA sometime in December.

In this situation, I think we should also look at a few events of the past. Our steel pipe exports to the United States were fixed by an exchange of letters on 21 October 1982 in which the Community undertook to enter into consultations with the Americans if the average export volume between 1979 and 1981 — which was 5.9% of the American consumption — was exceeded.

In 1983 our exports were 8.2% and in 1984 they rose to 14.4%. Here we should note, however, that the statistical basis for the 5.9% consultation threshold remained unclear. In particular, no provision was made for exceptions which should not be taken into account. According to our interpretation, in fact, our exports in 1983 and 1984 did not actually go far beyond the 5.9% threshold. During those years our exports were in any case consistent with the market trend in the USA and ran parallel to the exports of other third countries to the United States.

On 12 June 1984 the American International Trade Commission, the authority responsible for assessing such applications, found that steel pipe imports did no damage to American industry. It did, however, find there was damage to some other steel products and

proposed appropriate measures to the American President. During the enquiry proceedings before the International Trade Commission, the Commission for its part always warned against imposing any import restrictions *vis-à-vis* the Community over and above what had been agreed in the steel agreement and the exchange of letters on steel pipes.

Following the findings of the International Trade Commission, which did not satisfy the steel industry, the US steel industry exerted pressure on Congress for the imports to be restricted by law. On 10 November 1984 Congress accepted the 1984 Trade and Tariff Act, which provides among other things that the President may by law execute bilateral agreements with third countries. In particular, this also relates to the figure of 5.9% referred to in the exchange of letters on steel pipes, which the Americans wrongly regard as an export limit binding on the Community. Four days later, on 14 November, on the basis of this law, the American Minister for Trade called on the Secretary of the Treasury to treat the 5.9% limit as binding; i.e. to restrict imports from the Community to that figure and to ban imports completely for the remainder of 1984.

On 17 and 18 November the talks between Mr Haferkamp and Mr Davignon and Ambassador Brock, to which we referred earlier, took place, and the latter undertook to postpone the implementation of this decision until 29 November pending the signature of an agreement with the Community.

He accepted, as I have said, *ad referendum* an agreement in which the Community undertook to limit its exports to 7.6%.

Two days before the expiry of this deadline, however, on 27 November, the United States rejected the *ad referendum* agreement, stopped imports for the entire remainder of the year and unilaterally decided an import quota of 5.9%. The same day, the Community revoked the exchange of letters. Three days later, on 30 November, at the 40th GATT meeting, the Community called on the United States to notify these measures immediately and declared its intention to demand immediate consultations. Since the Americans did not give this notification, on 7 December the Community called for the special GATT meeting, which will take place next week, to be convened.

On 14 December, that is tomorrow, the Commission will be meeting Foreign Minister Shultz, Trade Minister Baldrige and Ambassador Brock, among others, in Brussels. Naturally this question will have a very prominent place in these talks. We will not leave the Americans in any doubt that we will claim our GATT rights in full. But the Commission is still prepared to negotiate on the basis of the *ad referendum* settlement of 17/18 November and would prefer an amicable settlement to conflict. We regret these developments, but we must say that the ball is now in the American court.

President. — The joint debate is closed.

(Parliament adopted Amendment No 1 seeking to replace the five motions for resolutions with a new text)¹

Disarmament

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

- the motion for a resolution (Doc. 2-1200/84/rev.) by Mr Hänsch and others on the prospect of a resumption of East-West disarmament talks between the USA and the USSR;
- the motion for a resolution (Doc. 2-1206/84) by Mr Vandemeulebroucke and others on the siting of nuclear missiles and the preparations for this already made in certain Member States;
- the motion for a resolution (Doc. 2-1210/84) by Mr Pöttering and others, on behalf of the Group of the European People's Party, on the resumption of disarmament and arms control talks and the continuation of confidence building measures between East and West;
- the motion for a resolution (Doc. 2-1225/84) by Mr Cervetti and others on the forthcoming meeting in Geneva between the United States and the Soviet Union.

Mr Hänsch (S). — *(DE)* Mr President, ladies and gentlemen, we welcome the resumption of talks between the governments of the United States and of the Soviet Union. We hope that they will very soon result in negotiations on concrete disarmament measures. We have no illusions about these talks, but know that without them there is no hope of disarmament. Some people regard the resumption of the talks between the two governments as an achievement of what is called rearmament. The reverse is true. Time was spent, used up, wasted, and during that time billions more dollars were squandered, billions we need to feed the starving people of this world. We are literally arming the world to death, and arms are actually lethal even in peacetime.

That is why we demand that:

1. The two superpowers bring to an immediate stop the further development of their arsenals. It will facilitate the talks if no further missiles are based in Europe — either in the East or in the West.

¹ Amendment No 1 was tabled by Mr Wagner and Mr Hindley, on behalf of the Socialist Group, Mrs Van Rooy and Mr von Wogau, on behalf of the Group of the European People's Party, Mr Bonaccini, on behalf of the Communist and Allies Group, Mr Patterson, on behalf of the European Democratic Group, and Mr De Gucht, on behalf of the Liberal and Democratic Group.

2. Nuclear disarmament is not enough. The world, and especially Europe, also needs a reduction of conventional weapons. We want chemical weapons to disappear from our continent, to be outlawed throughout the world. We call upon the United States finally to give up their space war plans and to make preparations to this end.

(Applause)

3. Real disarmament can only make progress in a climate of confidence and cooperation. That is why the talks between the United States and the Soviet Union must be accompanied by negotiations on how to improve relations between East and West, in the trade, economic, environmental cultural and scientific fields.
4. It remains essential for Europe, which means this Community, to play its part. That applies not only, but above all, to the Stockholm negotiations. That is the arena in which the Europeans, and in particular the European Community, have to play their part. Our European interests are not represented by Washington nor, of course, by Moscow; we can only represent our European interests ourselves, jointly. That is the task facing this European Community and the aim of our motion for a resolution

(Applause)

Mr Vandemeulebroucke (ARC). — *(NL)* Mr President, ladies and gentlemen, we have all had an opportunity to notice how, since the NATO decision to instal medium-range missiles, the tensions between East and West have increased. We have had to acknowledge too that the siting of new nuclear weapons in Western Europe has resulted also in new weapons behind the Iron Curtain, and at a stroke the insane arms spiral has been given another twist and the atomic threshold has been further lowered. Fortunately, new talks are to take place in January so that the disarmament negotiations may be resumed. Small Eastern bloc countries such as Hungary and Czechoslovakia have in any case undoubtedly done their very best to bring about a relaxation of tension between East and West.

In my view Europe itself can make a very useful contribution by adopting a number of confidence-building measures. Thus the resumption of the dialogue between East and West must be accompanied by initiatives in the field of the economy, trade and scientific and cultural exchanges. Our collaboration with the small Central European Communist countries in all these spheres will quite certainly have the effect of building confidence.

In my opinion we can take a second very practical step, and that is in those Member States which up to the present have not proceeded to the actual siting of

Vandemeulebroucke

nuclear missiles and have made their final decision dependent on the outcome of the negotiations. In those countries, and I am thinking particularly of the Netherlands and Belgium, the preparatory work for the installation can be discontinued. Continuation of this work indeed can only reinforce the impression that the ultimate installation of the nuclear missiles is to be nothing more than a formality. The suspension of the preparatory operations would be a very clear sign of our intentions to the Soviet Union, a signal to the Soviet Union, in the hope, that in this direction too an express willingness further to reduce the nuclear arsenal may come into being. That would be a first step in the direction of our ultimate hope: the realization of a zone free from nuclear weapons in East and West.

We remain completely opposed to all nuclear missiles in both East and West and equally we are opposed to the arsenal of chemical weapons and the further arming of space. The halting of the preparatory operations was one of the key-points of my resolution. I regret that I was not involved in the compromise consultations, so that a resolution has come into being by way of amendment in which that point was not included. For that reason I shall maintain my resolution as well and submit it to the vote, and in fact I shall ask for a roll-call vote on the matter.

Mr Poettering (PPE). — *(DE)* Mr President, ladies and gentlemen, the Group of the European People's Party is very pleased that talks will take place between Mr George Shultz, the US Foreign Minister, and Mr Andrei Gromyko, Foreign Minister of the Soviet Union, on 7 and 8 January 1985 on the resumption of the dialogue on disarmament and arms control.

We want to leave no doubt that the European People's Party regards the questions of arms control and disarmament as the most important political issue for the future, and for two reasons: firstly, to counter the danger of a nuclear war, but secondly because, in view of the hunger in the world, we regard such talks as a moral duty. It is terrible that we may have managed to conquer space militarily but have not managed to give the people on this earth enough to eat. We think that this moral dimension is another reason why the arms control dialogue and the disarmament talks must be a focal issue in coming years.

But we must look at the world as it is and be realistic. At the end of this month it will be five years since the Soviet Union began its pitiless war against the Afghan people, and only a few weeks ago a priest, Jerzy Popieluszko, who only wanted to serve humanity, was murdered in bestial fashion in a central European country, in Poland. We must place that to its account and spare free Europe the fate of Afghanistan and Poland and many other countries. That is why we need security for the free countries of Europe. To quote the words of the former Chancellor of the Fed-

eral Republic, Helmut Schmidt: 'Without defence preparations, détente is equivalent to gradual capitulation'. And we may add that anyone who begins to give up security begins to lose freedom.

My group now expects talks to take place between the two superpowers without unilateral conditions, on a basis of equality, reciprocity and equal rights to security, on all existing and planned weapons systems — nuclear, conventional, chemical and bacteriological weapons and weapons for use in space — with the aim of achieving success. Secondly, we expect that suitable measures, such as those repeatedly proposed by the NATO governments, will be introduced to ensure constructive progress in real détente, cooperation and the introduction of methods of verification, in order to give concrete guarantees of the renunciation of the use of force and respect for the independence and territorial integrity of all states.

Several groups, the Group of the European People's Party, the Liberal and Democratic Group, the European Democratic Group and the Group of the European Democratic Alliance, have submitted a motion for a resolution to this end, which we hope will meet with the approval of this House. We want a reduction of all medium-range missiles in Europe, including the 387 SS-20 missiles with their 1161 nuclear warheads. That is why in the present situation we, unlike Mr Hänsch and his friends, cannot accept a moratorium on the part of the West, for that would mean giving ground to the Soviet Union before the negotiations.

We now expect the ten governments of the European Community to define our European position, our American friends to respect this position and not only inform but also consult the Europeans at each stage of the negotiations and represent our interests, because we hope for a future from which war is banned, since we Europeans would be the main victims. We must work for a future in which people can be free from military threat, a future with increasingly fewer weapons, a future in which people can realise their freedom, their inalienable human rights and their right to self-determination.

(Applause from the right)

Mr Galluzzi (COM). — *(IT)* Mr President, the Italian Communists and allies are convinced that the resumption of the Geneva negotiations can be most important, provided that both the superpowers have the desire to make genuine practical progress towards disarmament.

We therefore consider it essential that at this period when negotiations are about to begin, there must be a halt to the deployment of missiles — of all missiles — whether on land (and this is happening in some parts of our country) or in submarines. It would be absurd indeed to negotiate about arms reductions while missiles are being deployed and new arms developed.

Galluzzi

We believe that our call to this effect can be a practical means for Europe to make its voice heard and to become an important partner in the disarmament talks. Our position is stated and fully explained in the motion for a resolution which we have tabled and for which, naturally, we shall be voting, if it comes to the vote. We would, however, be prepared to withdraw out motion and talk to other Groups, with which we hold many views in common, to ensure that on this matter of fundamental importance to all the peoples of the world — the resumption of disarmament talks between the two superpowers — the European Parliament can speak with a single voice.

Mr Van Miert (S). — (NL) Mr President, ladies and gentleman, as co-signatory of two of the resolutions at present under discussion I should like briefly to explain my motives. It is now more than eleven years since an agreement on control of weapons between the superpowers was ratified. The trend which has become apparent since then has gone entirely in the wrong direction. Existing agreements have been eroded or called in question. Think of the ABM Treaty. Since then the arms race has taken on insane proportions. Whilst the superpowers can already wipe one another off the map countless times with their unimaginable potential for annihilation, they continue to outbid one another with still more weapons, still more military expenditure and still more pressure on their allies. And as if that were not enough, they are now starting on the militarization of space — and all this whilst millions of people in the world are starving to death. At the bottom of this dangerous and insane arms race lie undoubtedly the interests of the military industrial complex, but also the totally false initial concept that still more arms also mean greater security.

The opposite is true. The unrestrained arms race not only increases mistrust between the superpowers but also leads to new weapons systems which are more difficult to control the longer the position continues, which have a destabilizing effect, which increase the chances of nuclear accidents and which make the launching of nuclear weapons ever more likely. And then I have not even mentioned the danger of further proliferation of nuclear arms. I shudder at the prospect that madmen like Ghadaffi may have nuclear weapons at their disposal in future.

It is thus high time to stop this arms frenzy. Even hawks like Goldwater seem to realize that things have gone too far and are fang themselves on the side of those who think that the MX programme in the United States had better not be continued. And as Flora Lewis said in the International Herald Tribune on Tuesday 11:

'The overriding problem of a wildly overarmed, hairtrigger world imposes an effort to reach agreement wherever possible. Precisely because there is conflict on principles, there needs to be a clearly expressed understanding that more wea-

pons will not bring more security, however security is defined'.

Against this background, ladies and gentlemen, it is a positive development in itself that fresh talks are to take place between the USA and the Soviet Union. To give the negotiations a real chance, a start must be made with a general freeze of the arsenals of weapons. This means an immediate halt in East and West — Mr Pöttering, you have read our resolution wrong, you have interpreted it as unilateral — so I repeat in East and West to the siting of medium-range missiles. It means desisting from placing them where they have not yet been sited, including my own country. Only then will there be a genuine prospect of arms restriction to the conventional field, only then will it be possible to ban chemical and bacteriological weapons, only then will demilitarized and nuclear-free zones come about and only then will Europe become something more than the biggest powder-keg in the world, predestined to become a nuclear battlefield.

Mr Penders (PPE). — (NL) Mr President, it is an excellent thing that the European Parliament is devoting a debate to the coming disarmament talks in Geneva. We are delighted that Shultz and Gromyko are to meet. Let us hope for fruitful results in the sphere of arms control and arms reduction, with, of course, peace as the final perspective. Let us also be careful, Mr President — there are still no real negotiations. There are initial discussions, feelers to see whether a satisfactory procedure and a satisfactory agenda can be agreed. The very fact that the talks are to get under way is the proof for me of the correctness of the approach adopted by the Atlantic Alliance with regard to medium-range missiles: the offer of negotiations in order to agree on the siting of fewer missiles, or even no sitings at all, provided that the other side offers an adequate *quid pro quo*. And, Mr President, that offer is still there, that thread may still be picked up anew today. It is entirely as a result of the firm attitude of the Federal Republic of Germany, the United Kingdom and Italy that it has become possible for talks to get under way now and that there has been no yielding to the Moscow ultimatum of 'first missiles away and then talks'.

It is precisely because of the proven force of the Western standpoint that it would be injudicious to declare moratoria at this time. I have read that in Mr Hänsch's resolution what is in fact intended is a bilateral moratorium. Practice always shows that things are going to come down to demanding a unilateral moratorium from us. It is just the fact of not declaring a moratorium that has put us on the right track and is allowing us to remain there. In this connection I must say that I am extremely astonished by the attitude of Mr Van Miert, who puts his signature to a resolution calling for a bilateral moratorium as well as to one calling for a unilateral moratorium. My question now is: Will the real Mr Van Miert stand up straight away and say what he actually means?

Penders

The previous Parliament, Mr President, expressed in a resolution its conviction that the West should not deny itself weapons which the other side also possesses. The Pöttering motion for a resolution, drawn up by a number of groups, entirely follows that line and therefore deserves to be accepted. Its tone is realistic, but it also has perspective and is directed to the future.

Unfortunately, Mr President, a single small error has crept into the resolution. Reference is made to territorial integrity. For me territorial integrity and independence are Siamese twins. The expression 'independence' ought to have been mentioned. The two concepts are inseparable, as you can see, from the example of Afghanistan, that it is possible to have on the one hand territorial integrity and yet on the other hand no independence.

(Applause from the European People's Party)

Mr Hutton (ED). — Mr President, I was particularly pleased at the landslide victory in the American presidential election because, if it did nothing else, it demonstrated as clearly as anything could that the decisions about disarmament would not all be taken in the Kremlin. When the Soviet Union walked away from the negotiating table in Geneva a year ago and tried to scare public opinion in Western Europe and North America into pressurizing its governments into accepting Soviet terms, it was a purely cynical exercise in the manipulation of democracy. It failed, and in America it was seen to have failed spectacularly. However, the Soviet Union is a pragmatic country. It recognizes reality, and so it is on its way back to the negotiating table which the Americans have never left. We should be thankful for that.

Members may have forgotten the background to this whole period of tension. It was a cynical manipulation by the Soviet Union of the first SALT Agreement, which saw it simply taking one stage off its by then banned SS16 rockets and calling them SS20s and creating a whole new threat to Western Europe in the late 1970s. The very measured NATO response of disarmament negotiations, with the option of giving itself a counter to the enormous Soviet threat if those negotiations failed *after four years*, could hardly have been more reasonable. Most people thought they were simply facing a frightening increase in Soviet rocketry. I guess most people did not realize they were also facing a massive escalation in the Soviet propaganda offensive as well. That offensive has not succeeded, and one of the reasons is that in NATO we stand together in an alliance in which we mutually support each other.

Although the Americans alone from NATO will be sitting at the Geneva talks, these are not the only talks going on. My interest is in the dismantling of the stocks of chemical weapons, and the attitude of the Soviet Union there has been an interesting pointer to

its pragmatism. While NATO froze production of chemical weapons for 20 years, the Soviets forged ahead. Now that the Americans have finally got fed up and said that they will proceed with a new breed of binary weapons, only now has the Soviet Union said that it will talk about chemical disarmament. The European members of NATO have a role to play in mutual support, in not being blackmailed into a position of weakness at the negotiating table. The Soviet Union has shown that it is pragmatic and that it understands hard bargaining. They must understand that we are their partners at the negotiating table in trying to dismantle the nuclear threat to Europe.

My group strongly supports the sentiments of Hans-Gert Pöttering and his group, and we urge this House to support a motion which sends the clearest message to Moscow that we are looking for negotiation, not equivocation.

Mr Alavanos (COM). — *(GR)* Mr President, from one point of view it is certainly pleasing that resolutions concerning disarmament have been tabled by nearly every group in the European Parliament; on the other hand, however, it is a sad fact that if the interest and wishes expressed in those resolutions had been declared earlier, as we and many other colleagues insisted, perhaps we would not be in today's exceptionally dangerous and tense situation. I would like to stress that it is also a sad fact that many sides of the European Parliament and their respective governments expected the United States and President Reagan, following the recent elections in the USA, to modify their position somewhat in the matter of negotiations, at least in theory, so that they might come here and support resolutions on disarmament. In all the proposed resolutions submitted there is particular emphasis on the part that the Western European countries can play in matters of East-West relations, etc. We too really believe that they can assume a substantial role in today's tense and dangerous situation, but this role cannot be limited to mere lip service. Specific practical measures are needed, and these are not to be found in most of the resolutions. We fear that in many cases this interest in disarmament may prove to be hypocritical, for example, when most Member States of the EEC, as members of NATO, agreed in Brussels a few days ago to increase conventional armament, or when we ignore the fact that France's and Great Britain's nuclear weapons are substantial stumbling blocks to the progress of disarmament. ♦

Mr M. Deniau (L). — *(FR)* On this vital subject there are only three points which are important, and if I have proposed this amendment on behalf of the Liberal and Democratic Group, it is because I believe we really must keep to essentials.

The essential thing with disarmament is to talk about all weapons, i.e. not just nuclear weapons but also con-

Deniau

ventional, chemical and space weapons, because if we want to achieve a satisfactory balance, we must take everything into account.

For me, the second essential point is that any measures to be taken within the framework of the negotiations must be verifiable, i.e. we are not concerned with propaganda and counterpropaganda, what we want is concrete measures which can be verified in each of the countries.

The third fundamental point is that there should be no preconditions. We are not going to institute preconditions in these negotiations and certainly not a freeze, which would accentuate any imbalance. On the contrary we welcome the opening of these negotiations founded on three principles: the total nature of them, the verifiable nature of them and the absence of preconditions and of a freeze in particular.

These, Mr President, appear to me to be the fundamental points at issue in this debate.

IN THE CHAIR: MRS PÉRY*Vice-President*

Mr Coste-Floret (RDE). — (FR) Madam President, ladies and gentlemen, several motions for resolutions on the resumption of East-West negotiations on nuclear disarmament have been tabled. They all welcome the resumption of a dialogue and they all express the hope that it will lead to peace.

The Group of the European Democratic Alliance naturally shares this satisfaction over the resumption of talks and also hopes that they will lead to lasting détente.

But having made these preliminary remarks, it must be said that there are differences of substance in the various motions. Some in effect want preconditions, a moratorium on the installation of missiles in Europe and of Pershing rockets, to — as they say — encourage the negotiations. We do not consider this to be a realistic attitude and we think it has been overtaken by events. When the Soviet Union left the negotiating table in Geneva a year ago, it was in the hope, as the previous speaker said, that the military imbalance would be frozen; and if the Soviet Union is now returning, it is because the balance of power is well on the way to being restored.

In our view, if the the arms race is a threat to peace, military imbalance is an even greater threat.

That is why we think that any realistic and effective motion must refer to the restoration of the balance of

power and, at the same time, call for any steps towards disarmament to be on a basis of reciprocity and effective control.

It is because we found these ideas in the composite resolution that I have signed it on behalf of my Group and we shall vote for it to the exclusion of any others.

(Applause from the centre and the right)

Mrs Piermont (ARC). — (DE) Mr President, so far arms control has never led to disarmament but at best to momentarily fixing the number of weapons at a higher level, that is, to a constantly higher level of arms. We therefore call for a unilateral advance contribution to disarmament, to document our *genuine* resolve to reduce the level of arms. Specifically that means no further medium-range missiles to be based in East or West, withdrawal of the Pershing II and Cruise missiles already installed, reduction of the bacteriological and chemical warfare agents, stored in particular in the Federal Republic of Germany, no increase in or conversion of the European conventional NATO forces on the basis of the Air-land Battle concept, immediate suspension of the plans to militarize space and, following on from the first item in the urgent debate, a ban on imports of Pershing IIs, rather than a ban on soya imports in answer to the US steel pipes embargo.

Mr Stirbois (DR). — (FR) Disarmament is an important matter in which the security of Europe and the world is at stake. But is it possible to provide our people with greater security merely by supporting the resumption of disarmament negotiations between the United States and the USSR, when we are fully aware of the nature of Soviet imperialism? What is also needed first and foremost is a European civil defence policy. In France, for example, our security is jeopardized by the fact that nothing has been done about civil defence for more than twenty years. Successive governments have in fact tragically placed their faith in the absolute effectiveness of the power of deterrence.

Our neighbour, Switzerland, is one of the best informed countries in the world: it knows that world war and nuclear conflict are a possibility. 95% of its population is protected against the risk of nuclear war, level with Sweden, behind Israel (100%), and ahead of Russia (75%), China (70%) and the USA (60%), but the last three are also protected by their size.

All these countries are aware that national defence is not just the protection of territory, it is also and above all the protection of the people who live in it.

In the field of civil defence France is two wars behind. In 1939 passive resistance had been organized, the shelters were equipped. Many people had gas masks.

Stirbois

Today it is only the President of the Republic, members of parliament, the military chiefs of staff and a few privileged individuals who have the benefit of nuclear fall-out shelters.

Even though the French nuclear capability may act as a deterrent to many countries, it is unfortunately ineffectual against the one country — the USSR — which poses a threat to us. All the more ineffectual since nothing has been done to protect the population. The Army Chief of Staff, General Lacaze, has rightly said that civil defence measures to protect the civil population and civil installations can only serve to reinforce the people's fighting spirit and the credibility of our deterrent.

For many years now our inadequacies in the field of civil defence have been raised to the level of doctrine: the fear of generating fear has remained a convenient alibi for public authorities and has been the pretext for their criminal lack of action. Almost 40 million people out of our country's population of 53 million are close to possible nuclear targets. The USSR can target 9 800 nuclear warheads on France. A nuclear conflict could wipe out 90% of the population of France.

By way of comparison, the Swiss population, which has fall-out shelters, would suffer only 10% losses. Switzerland devotes 135 Swiss francs per inhabitant to civil defence, France 75 centimes. Civil defence must be used to reinforce the credibility of the deterrent and, should that fail, to make it possible to save millions of our fellow citizens, who would otherwise be condemned to a horrible death. And so, face to face with Soviet imperialism, we shall not risk weakening a conventional modern army, so that in the event of a conflict tomorrow we should be neither Red nor dead, but French, European and alive. For this reason our Group will shortly table a motion for a resolution calling for a European civil defence policy.

(Applause from the right)

Mr Ulburghs (NI). — *(NL)* Mr President, I wish, to support the motions for resolutions put forward by Mr Hänsch and Mr Cervetti, and above all that tabled by my colleague, Mr Vandemeulebroucke, which I also signed, in respect of a halt to the preparatory operations and the non-siting of nuclear missiles, above all in small countries such as Belgium and the Netherlands. This may be regarded as an important step towards a Europe free of nuclear weapons and a stimulus towards genuine peace negotiations between the two superpowers. I also support Mr Vandemeulebroucke's demand for a roll-call vote. I propose too that the European Parliament should encourage the efforts of the peace movements in Europe, both East and West. Finally, Europe's strength, in my view, lies not in its superior military capacity for annihilation but in the strength of its cultural, moral, social and religious values.

Mr Avgerinos (S). — *(GR)* Madam President, we all feel that Man's very survival is at risk, precisely because the perilous arms race is continuing more and more intensely while dialogue between the two superpowers has been non-existent for many months. Perhaps there is now some prospect of its resumption. In the United States it is said that at the end of 1983 that country's nuclear stockpile amounted to the equivalent of 720 000 Hiroshima-sized bombs, while during last year alone 700 billion dollars were spent on new armaments. This huge expenditure on armaments, together with the absence of any constructive dialogue, are not only undermining peace but are leading small and developing countries into an *impasse*. With 1.5 billion people going hungry and 90 thousand people dying of starvation each day, it is tragic to spend such huge amounts on mankind's destruction, whereas it would be possible to secure a peaceful world in which nobody starved.

We consider that talks on disarmament provide the only escape from the threat of nuclear holocaust. The longer there is no dialogue, the greater becomes the risk of war. We therefore favour constructive dialogue, with no preconceptions and no unilateral support for either of the two superpowers. The people of Europe, both West and East, call for peace, and Europe's role must be one of non-alignment, to promote détente and dialogue, leading to arms reduction, disarmament and peace.

For these reasons, Madam President, we Greek Socialists will vote against the joint amendment, which we consider to be short-sighted and partisan, and consequently ineffectual. We shall submit proposals of our own.

Mr Croux (PPE). — *(NL)* Madam President, all of us, on all the benches, welcome with much pleasure and satisfaction the fact that the negotiations are to begin again. Everyone is full of praise about the negotiations, and that is extraordinarily important. However, there are three conditions for their success.

First of all, the will to succeed. I hear already from some benches that people are inclined to be disillusioned, and to me that seems a poor beginning. There must be a firm determination to succeed! As long ago as the beginning of 1983 people were saying: Who really believes now that the Geneva negotiations will succeed? Things will come to nothing there. Naturally then things did come to nothing in 1983.

A second condition is that account must be taken of the complexity of the facts. We regret that there are so many arms, that thousands of millions are being spent

Croux

on them and that the human race may be annihilated so many times over. But there it is! As politicians we must exert ourselves to put an end to this situation. However, we must not forget the complexity of the position.

A third condition is that as Europeans we must stand together. We cannot enter such negotiations in open order of battle. We must demand to be constantly involved in the negotiations, but that must be done jointly and collectively.

May I refer here to the Harmel doctrine, which is still valid and which was based on two pillars. First, strength of purpose: everyone must know that we shall defend our freedom and values. Secondly, we must at the same time display great openness as regards negotiating and relaxation of tension. There alone lies the solution for mankind. These two pillars still retain their importance; and we must lay stress on them jointly in this debate. The rôle of the small countries in this is also important. I should like to say to my colleague, Mr Vandemeulebroucke, when he refers to what some small Eastern bloc countries have said and done, that the same is true in the small countries of Western Europe. That has happened in my country. There have been countless measures, contacts and journeys. We must not be modest about it and must not hide it, on the contrary we must say it out loud. I think the resolution which has been jointly introduced is a good resolution. I hope that we here shall shortly have the opportunity to speak again about the negotiations and the state of affairs and may be able to express on behalf of everybody the wish that the negotiations may indeed be successful as regards all weapons, that is, including medium-range missiles.

(Applause from the centre)

Mr Beyer de Ryke (L). — *(FR)* Madam President, ladies and gentlemen, it was Churchill who growled that he preferred 'talks, talks, talks' to war. Well, then, why should we not call for essential negotiations, without preconditions, as the amendment bearing the signature of Mr Jean-François Deniau so rightly says? But, Madam President, as I do not suffer from a short memory, I should like to remind you that it was the USSR which broke the circle and left the negotiating table, not the West.

In the light of the negotiations, my government — as has already been said — will decide whether or not to instal missiles. It is a decision which concerns Belgium, but it is also one which concerns the whole of Europe. The wind from the East blows strongly across my country. It is a point which I want to stress very strongly, particularly for the benefit of the Flemish Christian Democrats, on behalf of whom Mr Croux spoke a few moments ago.

Let us be clear about one thing. There has to be a definite timetable: either the Soviet Union dismantles its

nuclear defences or the West organizes its own. The negotiations must not result in a freeze on what might be, namely, the installation of Pershing missiles, whilst maintaining what is, namely, the installation of SS-20s.

One of my honourable colleagues on the other side of the demarcation line referred just now to our attitude towards the United States and said that in matters of trade the United States takes advantage of the least sign of weakness. He is right. But my reply to him is that in matters of defence the USSR takes advantage of the least sign of weakness. In conclusion, Madam President, we do not want to pay the bill when it is our very survival which is at stake.

(Applause from the right)

President. — The joint debate is closed.

Amendment No 1 seeking to replace the four motions for resolutions with a new text

Mr Hänsch (S). — *(DE)* Madam President, this Amendment No 1, signed by various groups, is to replace the motions for resolution by Mr Hänsch, Mr Cervetti and Mr Vandemeulebroucke. That is not possible. Amendment No 1 is not a compromise amendment but relates only to the motion for a resolution by Mr Pöttering. That is why we need separate votes.

If you vote on them separately, that must surely be done in the sequence in which they were tabled, as is usual; that is, we must first vote on the Hänsch motion, then on the Pöttering motion, i.e. the amendment on it, then on the Cervetti and Vandemeulebroucke amendments. Those are the rules, Madam President. I only wanted to refer you to them as a precaution, although I am convinced you knew all this anyway.

Mr Poettering (PPE). — *(DE)* Madame President, I do not want to teach you your business, but only to point out that we have here a motion for a resolution by various groups, on which we must vote first.

(Interruptions)

Do please let me finish — I always listen to you carefully. You may even learn something new, as I always try to learn new things.

In my view we must first vote on the joint motion, and after our motion, which I hope will find a majority, we can then, and I agree with Mr Hänsch here, vote on the wording of Mr Hänsch's motion.

Mr Fanti (COM). — *(IT)* Madam President, I want to point out to Mr Pöttering that what he said is wrong. This amendment seeks to replace Mr Pötter-

Fanti

ing's motion for a resolution; it is a compromise amendment from several Groups but not from all the Groups in this Assembly. The rule that a compromise amendment takes precedence over all others applies only if, by agreement among the political Groups, that amendment should seek to replace all the motions for resolutions.

Otherwise, Madam President — and that is what I want to draw to your attention — we would be faced with a very serious procedural anomaly, namely, that it would be possible for just a few Groups, say two or three, to abuse the Assembly's procedures, disregarding the normal practice. If two or more Groups wish to get together on a particular resolution, they are free to do so; but the voting should take place in the order in which the motions are tabled, which in the case in point means that the Hänsch motion must be put first to the vote; next, in accordance with the agenda, the Vandemeulebroucke motion; then the compromise motion which seeks to replace the Pöttering motion, and, finally, the Cervetti motion. That is the proper order according to the rules.

(Applause from the left)

Mr Vandemeulebroucke (ARC). — *(NL)* Madam President, if we follow my colleague Pöttering's argument that when a compromise amendment is handed in various groups are involved, we are adopting a very dangerous precedent. Of course, we can have a compromise amendment in which all those who have taken an initiative are involved. If that produces results, it is clear that their previous resolutions fall. But if a compromise amendment is to be tabled by one or two groups only and that is seen as an argument for eliminating all other initiatives, that is an exceptionally dangerous precedent. I do not accept that. So I too ask that my resolution also be put to the vote, all the more so because, quite contrary to the rules of deontology, I have not been involved in any way in all this business.

(Applause from the left)

Lady Elles (ED). — I appreciate the various points being made by other honourable Members. But I would like to draw attention to Rule 53(2) which states — and I am referring at the moment to the amendment tabled by Mr Pöttering and others which is the subject of discussion:

An amendment may seek to change the whole or part of a text, and may be directed at deleting, adding or substituting.

This particular Amendment No 1 very clearly states that it seeks to replace the motion for a resolution by Mr Hänsch, the motion for a resolution by Mr Pöttering, the motion for a resolution by Mr Cervetti and the motion for a resolution by Mr Vandemeulebroucke and others. In accordance with the Rules of

Procedure, there is no doubt whatsoever that this amendment takes precedence over all those resolutions. If that amendment falls, then, of course, all the four resolutions come up in the order stated: first Mr Hänsch's, then Mr Pöttering's, then Mr Cervetti's and finally Mr Vandemeulebroucke's. But there is no doubt that, in accordance with the Rules of Procedure, Amendment No 1 — it may even be tabled by only one Member; it does not matter whether it is tabled by one Member or ten Members, or Members of six groups or Members of two groups — is an amendment to a number of resolutions, and it is in accordance with the Rules of Procedure that this amendment should be taken first.

President. — Ladies and gentlemen, I shall have to make a ruling. I feel that what Lady Elles has said comes closest to the Rules of Procedure.

(Applause)

I also feel, however, that we must refer the entire matter to the Committee on the Rules of Procedure and Petitions.

The situation is somewhat unusual in that we have an agreement between four political groups. Therefore, even if the compromise amendment is adopted, it cannot on any account replace the other motions for resolutions which we shall put to the vote. That is what I would propose to the House.

(Applause)

I repeat then that, following the procedure we have always used, we shall first vote on the compromise amendment. I will then put to the vote the motions for resolutions, the signatories to which have not signed the compromise amendment.

(Parliament adopted Amendment No 1)¹

Lady Elles (ED). — Madam President, of course I appreciate the point of view that you have stated in all honesty and fairness, but in accordance with the Rules of Procedure once a Member — even one Member — has tabled an amendment to one resolution or many resolutions or the whole or part of a resolution and that amendment is carried, then the other resolutions fall.

There is no question of whether it is five groups who have signed that amendment or not. It is very clear

¹ This amendment was tabled by Mr Poettering, Mr Penders, Mr Habsburg and Mr Croux, on behalf of the Group of the European People's Party, Sir Henry Plumb, Mr Prag, Sir Peter Vanneck and Sir James Scott-Hopkins, on behalf of the European Democratic Group, Mr Deniau, Mrs Veil and Mr Gawronski, on behalf of the Liberal and Democratic Group, and Mr Coste-Floret, on behalf of the Group of the European Democratic Alliance.

Elles

from the Rules of Procedure that *one* Member may put an amendment. It is not necessary to have groups or anything else. I think that if any other procedure were to be used following this amendment it would be a travesty of the Rules of Procedure, and we shall therefore have to take further action if any resolution is now put to the vote other than Amendment No 1 which has just been carried.

President. — I just want to say to Lady Elles that before the compromise amendment was put to the vote, I proposed a voting procedure and that is the procedure I am going to follow.

Mr Hänsch (S). — (*DE*) Madam President, our Rules of Procedure do not permit amendments to be tabled replacing an entire text, unless the authors of the motions in question give their consent. In this case the authors of the motions have not given their consent. What we have therefore is not a compromise amendment agreed to by all those who had tabled motions for resolutions. Lady Elles also is perfectly well aware of this. Therefore, Madam President, as you have not kept to the original order, all the outstanding motions for resolutions must now be put to the vote.

(*Applause*)

Mrs Squarcialupi (COM). — (*IT*) Madam President, I should like you to say again, in front of the whole Assembly, which is the Rule of Procedure that you are following and ask that this should be recorded in the Minutes. We have to know on which Rule you are basing your decision.

I also wish to ask whether, in view of the objections which have been raised, it would not be appropriate for the matter of the interpretation of that Rule to be referred to the Committee on the Rules of Procedure and Petitions.

President. — Mrs Squarcialupi, I have already said that I proposed to refer the ruling I have given to the Committee on the Rules of Procedure and Petitions. The fact is that the Rules of Procedure do not give us any clear guidance, because we are faced with a very unusual situation.

I based my ruling therefore on the fact that in general we have always begun by putting the compromise amendment to the House. However, since the signatories to the other motions for resolutions have not signed the compromise amendment, I shall go ahead with the vote on these motions.

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Motion for a resolution (Doc. 2-1200/84/rev.) by Mr Hänsch and others on the prospect of a resumption of East-West disarmament talks between the USA and the USSR: *rejected*

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Motion for a resolution (Doc. 2-1206/84) by Mr Vandemeulebroucke and others on the siting of nuclear missiles and the preparations for this already made in certain Member States: *rejected*

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Motion for a resolution (Doc. 2-1225/84) by Mr Cervetti and others on the forthcoming meeting in Geneva between the United States and the Soviet Union: *rejected*

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Bhopal disaster

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

- the motion for a resolution (Doc. 2-1187/84) by Mr Elliott and others on the tragic loss of life and injuries arising from the industrial disaster at the Union Carbide chemical plant at Bhopal, India;
- the motion for a resolution (Doc. 2-1189/84) by Sir James Scott-Hopkins and others, on behalf of the European Democratic Group, on the catastrophic accident at Bhopal, Central India;
- the motion for a resolution (Doc. 2-1193/84) by Mrs Focke and others, on behalf of the Socialist Group, on the poison gas catastrophe in India;
- the motion for a resolution (Doc. 2-1212/84) by Mrs Lentz-Cornette and others, on behalf of the Group of the European People's Party, on the poison gas disaster in the Indian city of Bhopal;
- the motion for a resolution (Doc. 2-1216/84) by Mr Vergès and others on the ecological disaster in Bhopal in India;
- the motion for a resolution (Doc. 2-1224/84) by Mrs Squarcialupi and others on the disaster at Bhopal in India.

Mr Elliott (S). — Madam President, I think that it is only right and proper that this terrible disaster at Bhopal, the world's worst industrial accident, should be the subject of six motions for resolutions before this

European Parliament. I believe and trust that any disaster of this scale anywhere in the world should provoke the profound sympathy of this Parliament and a desire to provide every possible assistance.

I must say, however, that I believe we have as a Community a certain special feeling for the people of the Indian sub-continent because of the large numbers of people from India and of Indian origin who reside within Community countries. People of Indian origin comprise some 3 or 4% of the population of the UK and some 15% of the population of the area of London I represent.

But I believe, having looked at these resolutions before Parliament, that some are indeed lacking. I believe that to properly meet the implications of this disaster a resolution from this Parliament needs to do some basic things. First of all, it must offer the profound and deepest sympathy of the people of the Community to the people of India and particularly of the stricken city of Bhopal. Secondly, it must offer every possible practical aid and assistance to those who have suffered in this tragedy, particularly medical aid, and technical aid if requested by the Indian Government to establish the cause of this tragedy. Thirdly, I think we need to draw proper conclusions for the future from this disaster as we did a few years ago from the disaster at chemical plants at Seveso in Italy and at Flixborough in Britain.

I think we need to ensure the rigorous implementation of existing directives within the Community on the storage and manufacture of potentially hazardous chemicals. I believe we need to ensure that the best possible safety standards are worked out and adopted within the Community and the developed world and are recommended for adoption with all technical assistance to Third World countries as well. It is vital that the actual causes of the disaster at Bhopal are fully ascertained and understood.

It has been said in justification of their position by Union Carbide that they maintain the same safety standards at Bhopal and in Third World countries as they do in Europe and the developed world. If that is true — and I must admit that there is some question of this — there is all the more cause for concern over the safety of the plants that are operating in our own Community. I believe we need to work for an improvement of safety standards and a more uniform acceptance of them.

The multinational chemical corporations such as Union Carbide have a responsibility for the dangers in which their processes place people and the environment in which their plants are located. I believe they must be required to accept fully the responsibility for the consequences of their activities. I cannot accept that the compromise motion fully meets all the responsibilities which I believe this Parliament should make on this tragic issue. I hope that Parliament will support resolutions that fully meet these requirements.

Sir James Scott-Hopkins (ED). — Madam President, I am not going to argue with the honourable Member who has just spoken about whether the composite resolution does or does not cover everything. What he said in his speech I do not disagree with at all. I think an honest effort was made in the compromise resolution to cover those points.

It is quite clear that this House has got to take note of what has happened and do everything it can to assist those in Bhopal to come through this very tragic time. There are two things we have got to do basically and I will sum them up. First, we have got to help in every way we can those who are suffering. Can I ask the Commission to make certain that they are sending all the medical supplies that are necessary to help out the doctors and the medical staff in Bhopal? I hope the Commissioner will reply, although he is deep in conversation at the moment, to that particular point.

Second, we have to think about the orphans of this tragedy. There are a lot of children of all ages up to 10, 12 and 15 years old who are going to be without any parents. This is going to be an enormous problem. I hope we will do all we can, mainly perhaps through money, but at any rate providing whatever help is needed by the Indian Government.

More generally, we must make certain that this kind of tragedy does not happen again. Once again, I do not disagree with the honourable gentleman in what he has said concerning this. We want to make certain that the manufacture and use of these very dangerous chemicals are properly controlled and that there is proper supervision. This is not the time to go into details because we certainly have not got them, and most certainly I am no chemist either. Whatever the truth may be about exactly what happened in Bhopal and how this desperate business came about, we must be quite certain that wherever plants handling these dangerous chemicals are in existence, there must not be any question of hazard. Even human mistakes must be as far as possible eliminated. I think that what is needed is very firm inspection and a proper code of conduct.

One thing is particularly striking. I was in Bhopal many years ago when I was serving out in India and it was a pleasant town. This carbide factory came there and there was no question of town planning. The plant was set up in a green field site — or almost a green field site — and then the population settled around it. That must not be allowed to happen anywhere again! You must not have the population being allowed to build their houses or shanties around a factory which is manufacturing such a dangerous thing as this. That is one lesson we certainly should have learned, and we must make certain that everybody else does too.

I hope the House will support the resolution, which is an honest attempt at compromise among the groups here.

Mrs Weber (S). — (DE) Madam President, ladies and gentlemen, this debate cannot be mainly about how to prevent such catastrophes happening in Europe in future. We have already adopted the Seveso I directive on that.

Today our responsibility must relate to the developing countries. Yesterday we took a decision on the outcome of the ACP-EC negotiations in which we stated in paragraph 4 that the environment in the developing countries was in a very critical state. We must not stop at offering aid to desperate victims and repairing damage. Our proclamation of solidarity today is important, but what is much more important is that we make a vigorous contribution to preventing such damage from recurring in future. That means we must find an effective preventive mechanism. The Community must exert pressure in the international negotiations, it cannot stop at what is already being discussed today and in part decided. Unfortunately there is little evidence of that in the joint motion of the other groups. That is not a compromise amendment. The motion for a resolution by Mrs Focke will remain. I therefore ask that this motion be voted on first as being the most far-reaching one.

There are two areas in which we have a lot to do. Firstly, our European firms must apply the same safety measures for their subsidiaries in the Third World countries as within the Community, to protect the environment and the health of the public and of employees. It is not enough, as is stated in paragraph 9 of this joint motion for a resolution, for the Commission to establish what security measures are taken in the other countries. The projects financed by our investments and by the European Investment Bank must demonstrate that they are environmentally compatible. We already called for that in the vote on environmental impact assessments; that is a matter of course. The enquiries by the World Bank have shown that a high percentage of the original capital costs will have to be spent again to repair the environmental damage caused by investments.

The European Community must also insist in the international negotiations that certain basic demands are satisfied. Primarily this includes reciprocal information on products and processes, to protect the health of the public, the employees and the environment. This demand for reciprocal information is already embodied in international codes of practice, in most detailed form in the OECD Guidelines which were proposed in spring this year. The European Community must accept these guidelines and urge their speedy implementation. This obligation to provide information is embodied in more general terms in the UNCTAD code for multinational undertakings. Here again the Community must urge that this demand be extended further and must in no case act as a brake. The same applies to the negotiations of the WHO, FAO and ILO — here too the European

Community can use all its influence to uphold these demands.

The DDT example shows, however, that information alone is not enough, for, in spite of worldwide bans in recent years, the consumption of DDT has increased by 10 000 tonnes a year in the developing countries, as stated in last year's UNEP report *Environment worldwide*. We must make the same tests when we export products and processes as when we market them at home. We must apply the same standards for exports as at home, that is, the same restrictions we impose at home for health and environmental reasons. For instance, and here I refer to our resolutions on a motion by Mr Glinne and Mrs Squarcialupi a few years ago, that means that we may not export to the Third World countries products and production processes that are banned at home. At the time Parliament expressed itself emphatically against such exports.

The final important point is the environmental policy aspect. The recipient countries in the Third World must be enabled to make rational use of the information they receive, i.e. the information on production processes and materials must be understood in the developing countries. Here the European Community can contribute to the increase in knowledge, to developing the control mechanisms in the developing countries and creating suitable infrastructure to ensure that not only the initial decision but the follow-up control measures can also be taken. Development aid is all too often regarded only as aid to increase production. It must also be aid to improve working and living conditions, as we demand in all negotiations. That is why we need a development aid policy which protects the environment and the health of the people.

(Applause from the left)

Mrs Lentz-Cornette (PPE). — (FR) Madam President, ladies and gentlemen, our response to news of the death of someone who is close to us varies. The intensity of our feelings depends on many factors, including the degree of relationship, the nature of the friendship, the age of the deceased, the illness they died of or the cause of death. Instinctively the nature of our involvement makes it more difficult for us to accept the death.

The thousands of Indians, especially the large numbers of children, who died in this chemical Hiroshima are closer to us and give us far more cause for concern than if they had died, for example, as a result of the monsoon floods. Why? Because the tragedy which they suffered and which, unfortunately, still more people will suffer in the sequel to this disaster could happen to us tomorrow here in the Community.

There are factories using large quantities of the same product — methyl isocyanate — in the major countries of the Community. This product is used to manu-

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facture the insecticides and pesticides which we use everywhere to increase our fruit and cereal harvests, particularly, as Mrs Weber so bravely said, those for export to the Third World.

What must we do to prevent a disaster like this from happening in our own countries in future? Firstly, see to what extent safety measures are applied and enforced in these industries, both as regards the people working in the plants and the population in the vicinity. Secondly, strengthen safety measures if necessary, especially after the disaster which has occurred in Bhopal. Thirdly, check on the application of Directive 82/501/EEC, which was adopted by the Council in 1982 and which lays down a set of procedures for people inside and outside the plants. The directive covers the processes for manufacturing this substance and took effect on 8 January this year. The Council of Ministers is aware of it. They discussed it in Brussels this month and we hope that they will be strict in their enforcement of the directive.

My Group welcomes the composite resolution which embodies our concern and our proposals. That is why my Group will vote for the composite resolution.

Mr Hahn (PPE). — (DE) Madam President, ladies and gentlemen, the members of the European Parliament's South-East Asia Delegation endorse the joint motion for a resolution that has been submitted here emphatically. Since we have special links with the Indian Parliament, we are of course particularly shocked by the dreadful disaster that has hit India. In rapid sequence, India has been hit by terrible misfortunes. After the dreadful murder of the great Prime Minister, Indira Gandhi, India has now suffered the worst industrial disaster of modern times and the consequences are so awful as to be reminiscent of what people suffered in Hiroshima.

India has now become one of the biggest industrialized countries. It is the tenth biggest industrialized country and the largest democracy in the world. It has a wide variety of links with Europe, and yet the tasks facing it to cope with this disaster go far beyond its own powers. In this situation India is especially deserving of the sympathy, aid and solidarity of the European Community. We therefore call on the Commission to give aid as soon as possible. In particular we emphasise paragraph 2 of the motion for a resolution, which calls on the Commission to send emergency aid and to examine with the Indian authorities the kind of medical assistance required and the ways in which the Community can provide it. We cannot tell from here what India needs most, whether medicines, doctors, nurses or other measures. But we emphasise the old principle that those who help quickly help twice as much. And so we ask the Commission to intervene quickly, to start negotiations quickly and to take aid measures quickly.

Mrs Squarcialupi (COM). — (IT) Madam President, it struck me that before presenting this motion for a resolution on this dreadful environmental catastrophe, this 'Chemical Apocalypse' as it has been called, I should examine my own conscience, the conscience of all the citizens of Europe. I ask myself how many deaths have been caused directly or indirectly by the desire for quick profits, so widespread in our countries; by the reluctance, for reasons of cost-cutting, to reduce the risks and ensure greater safety of production processes. This is why in my motion for a resolution I condemn the practice, which often escapes all control, of transferring harmful or dangerous production processes from our countries to countries that are less prosperous, the developing countries. I expect you all remember, especially those of you who are concerned with environmental questions, how amazed we were to learn that our industries' most dangerous and harmful wastes are loaded onto ships and sent off to the developing countries which need the money for their survival.

These considerations are still to be found in the compromise motion, although they have been somewhat watered down. It is a compromise motion, after all, but on the other hand it does command greater support. These considerations are contained in paragraphs 4, 5, 7, 8, 9 and 10. Although watered down, the essential is this: To give expression to the need for us, as Europe's citizens, to examine our conscience and, above all, to plan for the future. And that means both our future and the future of those other peoples. To ensure that the manufacturing processes which are located in those countries are not the ones which are the most dangerous and, if they happen to be dangerous, that they are accompanied by stricter security precautions. I feel we should look at this terrible disaster as the starting point for a new relationship. For this we look to the new Lomé Convention, but above all to our own sense of responsibility as Europe's citizens, with the aim of creating better living and working conditions throughout the world.

Mr Ippolito (COM). — (IT) Madam President, ladies and gentlemen, the tragedy at Bhopal in India is an ecological disaster of unprecedented scale, since in addition to the dead, whose number will almost certainly reach 4 000 and to the 20 000 cases of probable blindness there is the likelihood of 100 000 persons suffering irreversible brain damage. What is more, just this morning we learn from the press, from that small-section of the press that is not in the service of big business, that the Bhopal disaster had been foreseen by some technical experts within Union Carbide itself. This is very serious indeed. In common with many other such disasters — that at Seveso in Italy, for instance — this tragedy is the logical outcome of the policy of large American multinational concerns of locating high-risk industrial plant not only in the overpopulated of the Third World but also in those European countries where legislation on environmental protec-

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tion and industrial safety is most lax.

We consider it a fundamental duty of this Parliament to condemn such practices which imply utter disregard for the most elementary security precautions in respect of highly dangerous manufacturing processes, and to urge both the Commission to ensure that the relevant directives are kept abreast of technological developments and the Governments of the Ten to incorporate these directives speedily into their national legislations. Only in this way shall we be able to meet the expectations of the millions of Europe's voters whom we here represent.

Mrs Scrivener (L). — (FR) The unacceptable face of the Bhopal disaster is the fact that the precautions and the safety measures which are essential in the manufacture of dangerous products are not identical in the industrialized countries and in the developing countries. In fact, it might be asked whether the precautions should not be more rigorous in densely populated areas where the risks inherent in an accident are so much greater.

The authorities are certainly to blame. But we in Europe must be careful what we are doing. Not so long ago in this Parliament, during a report on pesticides, we heard people defending the view, that pesticides which are forbidden in our own countries could quite probably be exported to the countries of the Third World. Were we at that time acting any differently from the way Union Carbide is acting today? For the future let us learn a lesson in responsibility from the terrible tragedy of Bhopal.

Mr Flanagan (RDE). — Madam President, on behalf of my group I wish to be associated with the sympathy offered by Parliament to the Government of India and to the people of Bhopal.

I am particularly attracted by Professor Hahn's approach here, because I think it is too early yet for us to apportion the blame. The facts are not yet sufficiently well established. I had the privilege of being with Professor Hahn in India three years ago. I agree with him that we should urge the Commission to give whatever is considered to be the most appropriate form of aid at this time for the relief of the people of that area, and we believe that the Commission will do this. I should remind the House as well that very shortly before that there was a horrendous explosion in the City of Mexico. Again this occurred in a very highly populated slum area of that city. Even though Bhopal was the greater tragedy in terms of the number of people killed, blinded and otherwise injured, the Mexico City tragedy was very heartrending as well.

Therefore it behoves everybody to take note of what can happen and what has happened and, as all the speakers have suggested — most of them anyway —

take all the steps that are necessary both within the Community and, so far as we can effect it, in the rest of the world as well to try to ensure that this kind of tragedy will not recur.

May I conclude by saying that perhaps it was a coincidence that it was only two or three days after Bhopal that the planning authorities in Dublin turned down an application to have a huge quantity of LPG gas stored underneath Dublin Bay. I can assure the House that it came as a great relief to the people of Dublin, particularly those living in the Clontarf area, that that decision was made. I am sure that these tragedies will bring people's minds to bear very much more forcibly on this whole problem and on the prevention of it for the future.

(Applause from certain quarters)

Mrs Bloch von Blottnitz (ARC). — (DE) Madam President, whenever a great disaster strikes somewhere in the world, we start to wail and lament here. I really must describe this as rather sanctimonious, for such misfortunes are entirely foreseeable. Indirectly we are also rather responsible for them, for we recklessly export dangerous technologies of both nuclear and chemical kinds to third countries. We are very happy for them to be produced there, since the safety requirements there are much laxer, which is also quite nice for us. We are quite unable to combat hunger in the world, or even to start to do so. But we love to argue about where to get the money from to hoard or to destroy our surpluses.

We also permit, and actually encourage, third countries to assume that chemicals could be used to combat hunger and poverty. If we consider the consequences at all, we certainly do not talk about them. Quite apart from that, no-one here need simply sit back now and assume such a thing could not happen in Europe because we have such marvellous safety provisions. Not long ago the same happened in Europe and it will happen again, but rather more loudly; sometimes it will happen a bit more quietly, sometimes more insidiously. The state of our environment is a very clear example.

Until we tackle these problems seriously, introduce environmental impact assessments, tests of products and evaluations of the results of technology, we will at least have to concern ourselves with these questions. Unless we tackle this problem in principle, such disasters will recur again and again, and we will sit here and lament and express sympathy, which is no help at all.

Mr Narjes, Member of the Commission. — (DE) Madam President, the Commission is deeply shocked at the terrible disaster in Bhopal which has cost thousands of lives, hundreds of thousands of

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wounded and incalculable damage to the environment. It has expressed its sympathy in a telegram from the President of the Commission to Mr Zail Singh, the President of India, and at its proposal the Council has made a public statement on the matter.

The Commission can broadly endorse the views and opinions expressed in the motions for resolutions, as it supports and endorses the demands made.

The words Bhopal, Seveso, Flixborough, Mexico City and many others show that no-one can be quite sure they will be spared disaster of this kind. That is precisely why Bhopal should lead us once again to review, to improve and to reinforce the national, Community and international protective measures, aid measures and precautions against any repeats. I am thinking here of ways to remedy the defects of emergency aid and medical care, to improve the environment, but also of measures to ensure that the number of industrial accidents is reduced much more than in the past.

For reasons of time, I cannot go into all the proposals Mrs Weber made in her speech. They will be discussed in committee. But may I say expressly that the Commission is in constant contact with the Indian authorities and the International Red Cross. The Indian Government has given us to understand that at present they consider the medical emergency care sufficient. We are now discussing the sending of environmental specialists, toxicologists and technicians to India in case they can be of use there and are also enquiring to what extent a research and cooperation agreement we signed with India can be used to help reduce the damage.

Questions have been raised about the production of methyl isocyanate in the Community. Our surveys to date have shown that there are two fairly large production units, which are constructed according to a different patent and are regarded as secure, and a further plant belonging to the same company which operated in India. But that plant is only used for storage and processing here, i.e. does not actually produce.

I have taken note of the information in the motion by the European Democratic Group that Union Carbide will ban production until the cause of the damage has been ascertained.

As for the production of methyl isocyanate in other parts of the world by European firms, subsidiaries, and so forth, we will make detailed enquiries.

To conclude, may I endorse the opinion expressed by many in this House that it really is high time we finally adopted the environmental impact assessments. One single Member State has been virtually responsible for 3½ years for the fact that this vital legislation cannot be adopted. May I therefore take this opportunity to

request the Parliament of the Kingdom of Denmark to pass this environmental impact assessment at last.

(Applause)

President. — The debate is closed.

Amendment No 1 seeking to replace the motions for resolutions with a new text

Mrs Weber (S). — *(DE)* Madam President, on a point of order. I just said in my speech that the joint motion by various groups is not a compromise motion because the Socialist Group continues to support the Focke motion. So I ask you to vote on this more far-reaching motion first. This is a similar case to the one we had earlier.

Mr Elliott (S). — On a point of order, Madam President, I think it is important that we concentrate the voting on the most comprehensive motions. In the interests of that, I am prepared to withdraw my motion and urge that Members of Parliament should support the motion tabled by Mrs Focke and the Socialist Group and moved by Mrs Weber.

Sir James Scott-Hopkins (ED). — As I understand it, Madam President, there is only one amendment, and that is the composite amendment. It has not been signed by the Socialist Group, and I accept that. But it is the only amendment. Their motion is a motion for a resolution which was originally put down and ours is an amendment to it. So our amendment should be taken first.

Mr Cottrell (ED). — Madam President, I think it is unfortunate and unseemly that this House should be having a procedural wrangle over whose text is best and that we should even remotely be seen to be scoring political points over such an appalling and terrible tragedy as this. I am shocked to see that Members want to indulge in yet another wrangle over an issue such as this, particularly after the excellent statement from the Commission.

President. — Ladies and gentlemen, we have had this very same problem already. I suggest therefore that we follow the same procedure.

We shall begin by voting on the compromise amendment tabled by the four political groups. After that I shall put to the vote the motion for a resolution tabled by the Socialist Group. I would remind the House that I shall be referring this matter to the Committee on the Rules of Procedure and Petitions, since I base my rul-

President

ing upon our habitual practice and not on any formal Rule.

(Parliament adopted Amendment No 1)¹

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Motion for a resolution (Doc. 2-1193/84) by Mrs Focke and others, on behalf of the Socialist Group, on the poison gas catastrophe in India: adopted.

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Ethiopia

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

- the motion for a resolution (Doc. 2-1166/84) by Sir Henry Plumb and others, on behalf of the European Democratic Group, on the urgent need for a ceasefire in the civil wars in Ethiopia;
- the motion for a resolution (Doc. 2-1190/84) by Mrs Castle and others, on behalf of the Socialist Group, on the famine in Ethiopia;
- the motion for a resolution (Doc. 2-1207/84) by Mr Antony and others, on behalf of the Group of the European Right, on the tragic situation in Ethiopia;
- the motion for a resolution (Doc. 2-1208/84) by Mr Jackson and others on the use of the Emergency Aid Fund of Lomé II for the relief operation in Africa;
- the motion for a resolution (Doc. 2-1217/84) by Mr de la Malène and others, on behalf of the Group of the European Democratic Alliance, on the fight against hunger;
- the motion for a resolution (Doc. 2-1194/84) by Mr Roelants du Vivier and others on the Paris-Dakar Rally.

Mr C. Beazley (ED). — Madam President, this is the first time that I have had the honour to address this House as a Member, and I do so on a subject which has seized the attention and concern of the public of Europe to a far greater degree than many of the other issues, which is perhaps regrettable.

However, I believe that the message is now getting through that the European Community has given the highest priority to the question of bringing relief aid to the Sahel and in particular to the Ethiopian region, and that in terms of cereal and medical supplies and the much-required transport help these areas are now receiving this aid, not forgetting, of course, other parts of the world which similarly suffer from famine.

It is also being increasingly understood that the duration of this crisis will be long. It was only yesterday that we learnt of torrential rains which have swept eastern parts of the provinces of Tigre and Wallo and of the Red Sea coastal area and will bring increased hardship to the hundreds and thousands of men, women and children living in such terrible circumstances in the relief camps.

The conscience and concern of the public was largely stirred by the harrowing television pictures which were brought to them from Ethiopia. This was extremely beneficial in terms of the spontaneous and voluntary-response throughout Europe to this crisis, but I think it also implies a certain danger, because the television camera, like the Cyclops of the legend of Odysseus, has only one eye. Although it focuses with great clarity on one aspect of this crisis, the famine, it perhaps lacks the perception and perspective of human vision and has largely overlooked the continuing and escalating civil war which is another terrible aspect of this crisis.

Of the estimated monthly requirement of food aid for Ethiopia of 60 000 tonnes, a third, 20 000 tonnes, is considered to be necessary for the provinces of Tigre and Eritrea. I believe there is mounting concern that as long as the civil war continues, the aid will not necessarily be reaching all the people for whom it was intended. I do not believe that it is right here to apportion blame between the sides engaged in the hostilities currently taking place, nor would it be desired by the peoples of Europe, who regard the nature of the tragedy in human terms rather than in political ones.

Nevertheless, it is appropriate for this Parliament to call upon the President-in-Office of the Foreign Ministers acting in political cooperation and indeed to urge the governments of our own Member States to use whatever influence they can to bring about, if not a peace, if not a truce, at least a lasting ceasefire. This need has been identified by the recently appointed UN representative in Addis Ababa. I believe that the charity organizations working on the spot will come under increasing difficulty both from the government and the antigovernment side of the hostilities unless some agreement can be made, and made swiftly.

I believe it would be a tragic irony if this great response from Europe to this crisis were to be minimized because of neglecting the importance of bringing about a ceasefire. Throughout Europe people are looking to the Community to use not only its economic influence in terms of relief aid but also its political

¹ The amendment was tabled by Mrs Lentz-Cornette, on behalf of the Group of the European People's Party, Sir James Scott-Hopkins, on behalf of the European Democratic Group, Mrs Squarcialupi, on behalf of the Communist and Allies Group, Mrs Scrivener, on behalf of the Liberal and Democratic Group, and Mr Vergès and others.

Beazley

influence. This is a great opportunity for the Community to show that it is effective in lasting terms. I would urge the House to support the compromise text to this end.

(Applause from the European Democratic benches)

Mrs Castle (S). — Madam President, I make no apologies for raising the question of Ethiopia and famine in Africa again. Some people have been heard to remark: 'Oh but we discussed Ethiopia last month'. We should discuss Ethiopia and this situation every month until we are satisfied that we have this human tragedy under control.

The first point we have to take on board is that this problem is a continuing one and that the 1.2 million tonnes which are to be made available to Ethiopia and the Sahel countries — Mauritania, Niger, Mali and Chad — is the absolute minimum. Last month, when we discussed this problem, Mr Pisani painted a horrifying picture of the dangers that lie ahead with the possibility of millions continuing to die in the months ahead in these areas. It calls for a far more imaginative effort than any we have yet begun to make.

When he spoke, I asked him a question which is now repeated, I am glad to say, in this compromise document. I asked him to produce quickly a detailed written report to Parliament setting out the total position in famine in Africa and providing costings of the help which will be needed and a precise indication of aid commitments from all the countries of the international community: I am glad to say that we got a very positive response from him. He said that he would do this. When we reincorporate my question in this motion today, it is as a warning to Mr Pisani's successor that we will expect him to carry out that pledge given to us last month. We shall give him no peace until we get that full report.

The second point we must pursue is this. Where is the money for this 1.2 million tonnes coming from? On 11 October I produced an urgency resolution for this Parliament in which I called on the Member States to produce new money to supplement the food aid programmes for 1984 and 1985. That has not been done.

Look at how are going to pay for this additional 1.2 million tonnes! We are being offered a succession of transfers from existing funds. 500 000 tonnes is to come from the Community food aid programme for 1985, pre-empting large resources from that fund before we know what other disasters will be hitting the famine areas of the world. 200 000 tonnes is to be supplied from Member States. As far as my own government is concerned, it has declared that no extra money will be made available. The financing of this amount has to come out of the 1985 UK aid budget. This means that it will be the poorer countries that will be helping the famine areas, not the richer ones, and that

money that ought to have been going into development projects to prevent a recurrence of famine will be reduced.

The remaining 500 000 tonnes is to be financed from the Lomé Emergency Fund and from what are called open transfers, from underspent items in the 1984 budget, and we have been given a list of absolutely every title in that budget from which these transfers may come, including the titles of the Social Fund. We shall not know until January which funds have been raided to find this money. This is a most undesirable principle. We are told that in 1985 money will be made available for an extra 1.3 billion ECU for agriculture, and yet the food aid programme is minimal. It is a disgrace to us and we should rectify it.

Mr Antony (DR). — (FR) Madam President, we wish to put on record that, in accordance with what from now on will be normal practice, our Group has not supported the composite amendment on Ethiopia. We welcome this because we think that the Assembly should vote on our resolution.

We are very pleased that our signature is not associated with those of signatories who have no hesitation in joining the Communist group in a resolution on Ethiopia, a country which is suffering *par excellence* under Communist domination. Because, as we have said, even if the drought in the Sahel is the cause of the famine, so too is the civil war which is being waged by Colonel Mengistu, that blood-covered buffoon with more than a million corpses to his credit.

We know that at this very moment the Soviets are building up their presence in the Horn of Africa in a manner which is an insult to the suffering.

Yesterday there was a collection here for the children of British miners, to whose fate we could not remain indifferent. Yesterday the Group of the European Right had the honour to ask Europe to take rapid action, which, unfortunately, it proved itself incapable of doing.

Yesterday Mr Thorn complained about the inertia of our institutions. We should have been able to bring honour to Europe by an enormous act of charity. We could have brought about the salvation of the millions of Ethiopians who will die before Christmas. We could have brought about the rule of peace for which we were pressing just now. It was a possibility. We should have had to drop some of the present slowness and sluggishness, be less concerned with animals, give less expression to the squeamishness of Parliament. The Council of Ministers of the Community would, of course, have had to decide that as a matter of priority the agricultural surpluses should go to save the Ethiopians.

But no, we prefer pious speeches. We prefer to sign amended resolutions jointly with the very people who

Antony

are responsible for and who connive in the famine raging in Ethiopia.

That is what we have to say, Madam President. We are sorry that this Parliament was unable to summon up the dynamism needed for Europe to undertake the crusade of charity for which we asked.

Mr J. Elles (ED). — Madam President, in supporting this joint motion, which largely echoes the points made in the resolutions already tabled by my group, I wish to welcome the European Council's invitation to the Council of Ministers to ensure that 1.2 million tonnes of cereals, i.e. 60% of the needs in 1985, is sent to those numerous African countries suffering from drought and famine. The problem before us today is how those guidelines should actually be carried out. I have four points to make in that respect.

Firstly, of course it would have been much simpler for the Commission to have a specific fund available for this operation. Nevertheless, it is essential that all those funds available from the 1984 budget should be used and, in particular, all those funds which lie in Article 137 of the Lomé Convention.

Secondly, apart from urging that more food aid be channelled through aid charities, the joint resolution calls for special weekly tenders to be introduced to allow continuous access for those African countries that still have some credit to our growing cereals stocks in the Community. We strongly urge the Commission to take up this operational suggestion, which is possible within existing regulations.

Thirdly, we urge the fullest coordination, not only between the Commission and Member States but between the Community and other aid donors, so that we can really be effective in bringing food to those in need. Furthermore, because of the numbers of refugees streaming across the frontier into Sudan from Northern Ethiopia, I believe we should include Sudan in the aid which we will be giving in the next 12 months.

Finally, we demand that there should be full information and we support Mrs Castle's point about Mr Pisani's pledge to this House last month that we should have a full report on the famine in Ethiopia and on what the costs are likely to be. By being fully informed in this House, we can keep the European peoples fully informed. It is a situation which will be here for a long time to come, and we need that information.

Mr Andrews (RDE). — Madam President, ladies and gentlemen, we have heard a lot about the Dublin Summit, but it ended in only one thing: an agreement to talk and to have more talks about everything from fisheries to development aid and so on. The Dublin Summit in my view has not really assisted the people in

the Sahel region of Africa. No issue touches us more than the tragedy in Ethiopia, and yet on the question of food aid we had the hypocritical sleight-of-hand statement by the President-in-Office of the Council — robbing Peter to pay Paul, switching 1.2 million tonnes from one budget heading to another without providing any new resources. I think that is an outrage. This Parliament had its proposal for food aid cut by 50% by the Council of Ministers and, indeed, in my own country development aid has been cut by 30% in real terms.

At the same time, the people of Europe on a voluntary basis have unequivocally provided a great amount of voluntary aid in money and other forms of assistance. The Irish people in particular have provided 9 million ECU in a couple of weeks for Ethiopia alone. In one weekend in my city of Dublin over £3 million was collected. At the same time the Commission, Parliament and the Council of Ministers simply talk and do nothing. The granaries of Europe are full. In fact we are storing grain outside the EEC countries because we have so much of it. We do not seem to make any concerted effort for the people in Ethiopia and elsewhere.

Madam President, I think it is an absolute outrage, and the people of Europe are looking at us and saying: You are irrelevant! We have to get up and do something about it.

Mr Roelants du Vivier (ARC). — (FR) Madam President, I am the author of a motion which has been signed by many of my colleagues requesting that the organizers of the Paris-Dakar Rally, which is to start on 1 January, give up their plans. The rally goes deep into Africa via Algeria, Mali, Niger, Mauritania, Senegal and passes through the countries of the Sahel at present affected by famine. Ethiopia has been discussed; there are other, less well-known, famines in Niger at the moment. I think that if we in the European Parliament have any sense of the meaning of human dignity, we should speak out against this sporting event and what it represents in terms of the application of financial and human resources in one of the poorest regions in Africa. I believe it to be an insult to human dignity and I am pleased that several members of the Assembly — leaving aside their political affiliations — have agreed to sign this resolution. I hope that this conviction will also be given expression in the vote passed by the Assembly.

President. — I still have six Members listed to speak. If we are to vote on these motions for resolutions, the Members in question will have to waive their right to speak.

Mr McGowan (S). — I would like to make a statement, if possible, Madam President.

President. — If you wish to speak, we will not be able to vote on these motions for resolutions, as I take it that all the other Members down to follow you will also want to speak. I feel that the Members listed might perhaps agree to forego their right to speak.

Mr McGowan (S). — If other Members who are on that list agree to cooperate, I would accept that. But, obviously, I would like, if possible, the opportunity to make a contribution to this debate.

President. — Mr Bersani, are you prepared to forego your right to speak?

Mr Bersani (PPE). — *(IT)* Yes, I agree to waive my right to the floor, but I ask, Madam President, that the Members who are still down to speak be allowed to submit their statements in writing.

Mr Tortora (NI). — *(FR)* Madam President, with respect I should like to point out that the previous speakers spoke on behalf of their groups. Our group has not spoken. I must therefore insist on being given my speaking time.

President. — Mr Tortora, I would appeal to your solidarity. That is the only way I can put it.

Mr Tortora (NI). — *(FR)* As my meaning was understood, I withdraw.

(Applause)

Mr Wurtz (COM). — *(FR)* I should like to point out to Mr Tortora that my group also did not get a chance to speak but that it nevertheless withdraws. However, I do support Mr Bersani's proposal.

President. — The debate is closed. I thank very sincerely all those colleagues who have allowed us to get on with the vote.

(Parliament adopted Amendment No 1)¹

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¹ This amendment was tabled by Mrs Castle, on behalf of the Socialist Group, Mrs Rabbethge, on behalf of the Group of the European People's Party, Sir Henry Plumb and Mr J. Elles, on behalf of the European Democratic Group, Mr de la Malène, on behalf of the Group of the European Democratic Alliance, Mr Wurtz, on behalf of the Communist and Allies Group, and Mr Poniowski, on behalf of the Liberal and Democratic Group, and sought to replace the motions for resolutions (Docs. 2-1166/84, 2-1190/84, 2-1208/84 and 2-1217/84) by a new text.

Motion for a resolution (Doc. 2-1194/84) by Mr Roelants du Vivier and others on the Paris-Dakar Rally: rejected

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Motion for a resolution (Doc. 2-1207/84) by Mr Antony and others, on behalf of the Group of the European Right, on the tragic situation in Ethiopia: rejected

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President. — Two motions for resolutions remain to be dealt with in this topical and urgent debate. In view of the lateness of the hour, I propose that the Members concerned waive their right to speak and that we proceed directly to the vote.

(Parliament agreed to this request)

Motion for a resolution (Doc. 2-1192/84) by Mr Anastassopoulos and others, on behalf of the Group of the European People's Party, and by Mr Visser and Mr Klinkenborg, on behalf of the Socialist Group, on the imposition of road tax in Switzerland as from 1 January 1985: adopted

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Motion for a resolution (Doc. 2-1191/84/rev.) by Mrs Rabbethge and others on the development of the indigenous research capacities of the developing countries: adopted

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(The sitting was suspended at 1.05 p.m. and resumed at 3 p.m.)¹

IN THE CHAIR: MR PFLIMLIN

President

Mr Huckfield (S). — Mr President, this is a point of order which I have to address to you under Article 95 of the Rules of Procedure. In September of this year the whole of the Socialist Group plus many others — in fact a total of 140 Members — submitted to you under Article 95 of the Rules of Procedure a request

¹ *Membership of committees: see Minutes.*

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to set up a committee of inquiry into police behaviour in the miners' dispute in Great Britain.

(Protests from various quarters)

That was in September of this year. Now I understand that you chose as a matter of procedure to refer that matter to the Committee on the Rules of Procedure and Petitions of which I am a member. This committee considered that matter and then referred it back to you. Since, as many of us understand the Rules of Procedure, the setting up of that committee of inquiry is supposed to be an automatic procedure, since the setting up of that inquiry rests with you, Sir, and since you have already submitted the matter to the Committee on the Rules of Procedure and Petitions and that committee has also said that that is a matter for you, you have now had that resolution for approximately three months. It is supposed to be an automatic procedure.

I want to ask you, Sir, to tell this House what you intend to do with that resolution.

President. — Mr Huckfield, it is true that this question was referred to the Committee on the Rules of Procedure and Petitions for its consideration. That was some weeks ago, and I have not yet had a reply. I have just been informed that it actually arrived today. As soon as I have acquainted myself with its contents, I shall undoubtedly give a decision, naturally after putting the whole matter before the Bureau. However, that will definitely not be automatic, Mr Huckfield. I am not an automaton!

Mr Huckfield (S). — Mr President, further to that point of order...

(Protests from various quarters)

... the Committee on the Rules of Procedure and Petitions decided on that three weeks ago! Mr President, it is a matter which has to be dealt with by you. I am saying to you, as a member of the Committee on the Rules of Procedure and Petitions, that that committee sent its decision to you three weeks ago telling you that it was a matter for you. Now you cannot pretend, Mr President...

President. — Mr Huckfield, I can only repeat that I have not yet acquainted myself with that reply. I believe everything you are telling me. Would you please believe what I am saying to you?

Mr Huckfield (S). — ...you are deliberately delaying this inquiry.

(Protests from various quarters)

You are deliberately slowing this matter down. It is in your hands and you are deliberately preventing this inquiry from taking place!

(Loud protests from various quarters)

President. — Mr Huckfield, I have already given you my answer on this point. I must therefore withdraw the floor from you.

4. Budget 1985 — Votes

Report (Doc. 2-1185/84) by Mr Fich, on behalf of the Committee on Budgets, on the rejection of the draft budget of the Communities for the 1985 financial year

and

Proposals for overall rejection of the draft budget of the European Communities for the 1985 financial year (Doc. 2-1237/84) by Mr Chambeiron and others

Explanations of vote

Mr Arndt (S). — *(DE)* Mr President, the position being taken by my group on the budget is well known, so I will refrain from any further explanation of vote. We should get on with the vote at last.

(Applause)

Mr Langes (PPE). — *(DE)* Mr President, I have the honour to state, on behalf of our group chairman who has suddenly been taken ill, that the Christian-Democratic Group will reject the Council's budget as presented at the second reading.

(Applause)

Lord Douro (ED). — Mr President, my group very much regrets that a meeting did not take place yesterday with the Council in order to try to seek a compromise. In fact, we had intended not to take our decision until this morning precisely in order to wait and see whether the Council was prepared to compromise. However, that was not possible. We find the Council's budget unacceptable. Some say this is about the powers of Parliament. It is not about our powers, it is about our responsibilities. Therefore, we will vote with other groups to reject this budget.

(Applause)

Mrs Scrivener (L). — (FR) Mr President, the Liberal and Democratic Group will reject the budget, quite simply because there is no other solution.

(Applause)

Mr Pasty (RDE). — (FR) The Group of the European Democratic Alliance will vote unanimously for the motion to reject the budget, because we too will not accept the unacceptable.

(Applause)

Mrs Barbarella (COM). — (IT) Mr President, our group too will vote to reject the budget.

(Applause)

Mr Verbeek (ARC). — (NL) In the name of the Green-Alternative European Link in the Rainbow Group I should like to say that if we were to have management of this kind at home, in industry or in one of our national parliaments, we should either land ourselves in the divorce courts, be dismissed or the government would have to resign. If this Parliament were really a centre of European democracy, if it were a legislative body and if it controlled a government, that is to say, if the EEC had a government instead of a Council and a Commission, it would now have to resign. That is shown by the sick condition of Europe — this Europe which is claimed to be an economic, political and military superpower. For that reason our group will vote against.

Mr Aigner (PPE), chairman of the Committee on Budgetary Control. — (DE) Mr President, on the basis of my experience as chairman of the Committee on Budgetary Control, may I give the following explanation of vote.

First, by entering a further 1 300 million ECU, the Council has confirmed the view of the Commission and the European Parliament that the draft is only a ten-month budget. But on the revenue side it has not created the necessary resources for expenditure.

Secondly, with its assertion yesterday that we would be forcing it to enter into further obligations, the Council is forgetting that it alone created these obligations.

Thirdly, the Ministers do not have the courage to go before their national parliaments and confess that they decided more expenditure in the Council than they can cover with one percent of VAT. Now they are simply trying to shift these difficulties from the national to the European level. That is a clear indication of the Council's real intentions. It wants to force the Commission to delay the 1985 budget so long as to

block any kind of developments in the Community. Moreover, by means of cash flow operations, payment appropriations are to be further reduced and commitment appropriations running to thousands of millions postponed to the next years.

Fourthly, when we remember that, according to the calculations of the European Court of Auditors at least, commitments amounting to some 12 000 million ECU still remain from previous financial years, which will have to be paid in the next years, it becomes crystal clear what the implementation of the 1985 budget would mean: the Community would be reduced to a free trade zone with common financing of agricultural surpluses.

Fifthly, it is not difficult to foresee that this would not only bring the Community to a standstill, which would in fact be a step backwards, but also give rise to an enduring conflict between Parliament and the new Commission. It would totally halt the reduction of stored reserves and create further losses of thousands of millions. Parliament cannot accept this, if only in the interests of the taxpayer.

(Applause)

Mr Cassidy (ED). — At a time when the Community has taken three positive steps forward — the settlement of the longstanding issue of the UK budget rebate, final agreement on the terms of entry for Spain and Portugal and the joint declaration by the French President and the British Prime Minister about the need for a fixed Channel link — Parliament is about to throw a spanner in the works. When we read the account of this day's work in tomorrow's newspapers, we shall have cause to regret what we have done.

This is a sad day for the European Parliament and for the European Community. In rejecting the 1985 budget, it is not clear what the European Parliament hopes to achieve. The Community will continue to function, and the rejection of the budget will be seen by public opinion as a pointless, petulant gesture. I regret that I am, therefore, unable to support the rest of my colleagues, both in my group and in Parliament, in rejecting the budget for 1985. I shall, therefore, abstain.

Mr Huckfield (S). — Mr President, I make no apology to this Chamber for bringing the language of class politics into these debates, because the reason why I shall be voting against this budget is that I believe that so far this House, the Commission and the Council of Ministers have shown a total failure and a total lack of discipline as far as farming and landed interests in this Community are concerned. I have in my constituency places where the level of adult unemployment is as high as 57.5%. I have places in my constituency where the level of youth unemployment is nearly 80%. They

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will not see a penny of the money that we are debating today. That is why I will not vote for any Budget proposals as they stand until we have a massive shift away from farm spending in this Community to the real problems of this Community — I refer to the unemployed and the youth unemployed.

I met the farmers in my constituency last week and they actually told me that they were embarrassed because they know that they are only producing for storage for intervention fund purposes. There are so many surpluses in this Community that they do not produce for people to eat any more, they produce just for storage.

(Cries of 'time, time' from the European Democratic benches)

Mr President, as long as the Member States demonstrate more and more that they are not prepared to make the gesture of funding this Community for an entire year ...

President. — Mr Huckfield, you have exceeded your speaking time.

Mr Chambeiron (COM). — *(FR)* Mr President, by eliminating any possibility of conciliation between the two arms of the budgetary authority, it is clear that the Council bears the full responsibility for the decision which we are about to take. We have said that we cannot commit ourselves to a budget which has been cut short and which does not cover the full twelve months of the year. But we have also emphasised that that was not the only reason why we are rallying to the motion to reject this budget.

The threats to agriculture from budgetary discipline, the continued reduction in the British contribution, the failure to restore the appropriations for food aid and the retention of the appropriations for aid to Turkey are all the more reason — and I may say substantial reasons, as the Treaty specifies — for rejecting this budget.

This was our intention in tabling our motion for rejection of the budget. But as we wish to secure the largest majority possible for the text which has been tabled by the Committee on Budgets, we withdraw the motion on which my signature appears first.

Mr Cottrell (ED). — It is my view that Thursday, 13 December, is going to be an unfortunate memory for the European Parliament. We are fighting the wrong battle for the wrong reasons on the wrong ground. This coalition which has been put together will come apart at the seams and I predict to you now that, rather like Napoleon bringing his troops back from Moscow, the Council will pick you off group by group as winter deepens.

More than all these reasons, the long-running budget disputes of this Community should have been brought to an end so that for one year we have a period of truce and so that Parliament and the Community in general has a chance to take stock of its position and to take account of the historic and unfortunate inevitability of Spanish and Portuguese accession.

Parliament would have been wise to cooperate with the Council on this occasion with what may well be an unsatisfactory budget but, ladies and gentleman, it is the best one you are going to get, and it is a battle that we are going to lose which, far from improving the reputation of Parliament, is going to damage it.

(Mixed reactions)

Mrs Faith (ED). — Rejection of a budget by this Parliament is a very serious matter, and I believe that, on balance, there is not sufficient reason for Parliament to reject this particular budget. I do not wish to see the reputation of this Parliament tarnished.

I understand why the Committee on Budgets and others feel that a budget which does not cover a full year is unacceptable. However, I believe that Parliament should bear in mind that the Council has formulated this budget under difficult circumstances. To cater for next year's projected expenditure is not possible, because the German Government will not agree on an increase in own resources until after enlargement. If the system of provisional twelfths is adopted, there will be serious disadvantages. There will be a lack of flexibility between different spending programmes, and it may well mean that there will be more discord between Parliament and the Council next year.

It is wholly desirable that the Fontainebleau Agreement should be implemented as soon as possible. I believe that rejection of this budget by this Parliament is a very serious matter. On balance, there are not sufficient reasons for this Parliament to reject it. I shall therefore abstain.

Dame Shelagh Roberts (ED). — I shall not vote for the rejection of the budget. I believe that the reasons for rejection advanced by the Committee on Budgets and by Members of this House are specious and that they obscure the true intention, which is both to undermine the Fontainebleau Agreement and also to confer on this Parliament powers to increase spending and revenue which it does not legally possess. I believe that it is less than responsible of Parliament to ignore the very cogent arguments advanced by the President-in-Office of the Council and by Commissioner Tugendhat in this House on Tuesday. They advised Parliament that it would not be in the interests of the Community that we serve to reject the budget. I agree with those two gentlemen. I would go a stage further. I do not believe it to be in the interests of this Parlia-

Shelagh Roberts

ment that we should provoke a confrontation by taking a bad decision for a variety of bad reasons.

Mr Alavanos (COM). — (GR) As we have already stated, the Members of the Greek Communist Party will vote against the draft budget. We are sorry, though, because the real political and economic problems of distributing the Community's resources are masked by institutional conflicts between the Council and Parliament, and we can in fact place little trust in the unnatural alliance that is voting down this budget, since it includes forces such as the representatives of Mrs Thatcher, who are supporters of the imposition of financial discipline, the abolition of the Mediterranean programmes, etc.

We shall vote against the draft budget because it restricts expenditure on Greek farmers, because it ignores commitment to the Mediterranean programmes, because it ignores commitment to the five-year development plan and because it rewards Evren's military junta in Turkey with finance.

Mr Bonde (ARC). — (DA) Mr President, the Danish People's Movement against Membership of the European Community will follow the rapporteur's advice and abstain in the vote on the Fich report. We do not wish to take part in a fresh power struggle against the Member States and we note with surprise that members of the Left and the conservative European People's Party in Parliament are advocating a struggle against their own governments, whereas the People's Movement against the EC, the SF and the Social Democrats support the position of the Danish *Folketing* and successive Danish governments. We should like to congratulate the Social Democratic rapporteur, because 'he that ruleth his spirit is better than he that taketh a city'. We hope that the voting of the Social Democrats is an indication that they are dissociating themselves from Parliament's attempt to extend its power by means of amended classifications, exceeding the VAT ceiling, exceeding Parliament's margin of manoeuvre, legislating by commenting on the budget, budgetization of loan transactions via the Development Fund, the extension of Community cooperation to fields not authorized in the Treaties and, finally, amendments to the revenue side of the budget with a view to giving Parliament the chance to levy taxes.

Mr Adam (S). — I am voting against this budget for reasons which are not expressed in the Fich resolution. Firstly, I do not believe we have an adequate system for controlling agricultural expenditure. Secondly, we do not have a fair system for national contributions. Thirdly, we have no agreement to expand the job creation funds of the Community. Whether it is a ten or twelve-month budget is of no relevance to the unemployed. Fourthly, I cannot accept a situation in which the European Council is gradually usurping all the powers of the Community institutions. The Euro-

pean Council is turning the Community into a larger version of EFTA. Nor can I accept a situation in which the monetarist and penny-pinching policies of the British Government are gradually being taken over by the rest of the Community. It is no surprise to me that so many Members of the Conservative Group have spoken up in favour of this disreputable budget. Mrs Thatcher's name before she was married was Roberts.

(Laughter)

Mrs Gredal (S). — (DA) The Danish Social Democrats — Ove Fich, Ejner Hovgård Christiansen and I — will abstain from voting. It has been a sad experience to see how discussions have been marked by a lack of the will to cooperate, and that applies both to the Council of Ministers and the European Parliament. The President of the European Parliament is said to have rejected the possibility of a last tripartite meeting without consulting the budget people — that does not promote constructive cooperation. Rejection of the budget will prolong the very serious economic crisis in the Community, and citizens in our countries will not be able to understand the position. It will affect a whole range of matters. I shall merely name aid to developing countries and the question of the Esprit programme — a programme on which we all went to the polls and which we are now simply allowing to be delayed. We find it most remarkable that the bourgeois politicians, whose colleagues sit on the government benches at home in Denmark, should be party down here to rejecting a budget. Our abstention is also due to the fact that the whole atmosphere surrounding the budget negotiations has been permeated by institutional overtones and a power struggle behind the scenes. We must dissociate ourselves from that. The European Parliament must not try in this way to alter the distribution of powers between the institutions. We shall abstain.

Mr Saby (S). — Mr President, ladies and gentlemen, during the time in which the economic, political and social balance of our civilization has been threatened by a world-wide economic and monetary tempest, we have seen how the countries of Asia around Japan needed neither the Treaty of Rome nor the Tokyo Round to prevent their shipwreck; they shared their skills and financial resources in order to avoid disaster.

The European Heads of State — from Fontainebleau to Dublin — also seem to have understood this. Under these circumstances why did the Council of Ministers not translate this necessity into a realistic budget? When the Council itself was faced with crisis in 1984, it took the initiative by adjusting expenditure; but at the same time it has taken more than six months to balance the income side.

Why does it present us with an artificial budget for ten months out of twelve when it acknowledges that a

Saby

supplementary budget will be needed? Because, we are told, we are being stifled by the straitjacket of the institutions of the Treaty of Rome and we have not yet been able to agree to loosen it. And we hear incantations to the gods of a decadent eurocracy: ceiling on VAT, evolution of the Treaties, enlargement. For conscience' sake we are juggling around with provisional twelfths in order to give the impression — whether for the benefit of farmers or for the sake of the new policies which are needed — that we shall get by. But at what cost!

No, Parliament no longer has any desire to play around with Europe's destiny. We say to the Council, tomorrow it will be too late; we shall have foundered. That is why we are unable to accept the 1985 draft budget. If, like us, you, the Council, want to give concrete effect to Fontainebleau and Dublin, without prejudice to the farmers or anyone else in Europe, and so fulfil the expectations of our people, then quickly, at the beginning of 1985, submit to us a realistic budget, as you know it should be and as we expect!

(Applause)

Mr P. Beazley (ED). — Mr President, I shall submit in writing my reasons for rejecting this budget, and equally irrelevantly with my Socialist colleague I would like to inform him that one of my early ancestors was called Adam too.

(Laughter)

Mr Maher (L). — Mr President, my view is that Parliament has absolutely no alternative but to reject this budget. If the Council is prepared to be irresponsible in this kind of financial management — and it is being irresponsible, because no government managing a State can talk in terms of a partial budget for a full year without having to concede that later on there must be a supplementary budget — if the Council is prepared to be irresponsible, the European Parliament cannot afford to be irresponsible. It cannot cooperate with the Council in this instance. But I would like to say to Mr O'Keefe, who happens to be in the hot seat, that he should not take the rejection of the budget by Parliament as a reflection on him or on the Irish Presidency. I think he has tried very hard to resolve the situation, and so has the Irish Presidency.

(Applause)

But, Mr President, might I say that if the governments of the Member States feel that they cannot make a further contribution towards the policies of the European Community and that money is too scarce, why then do they insist on maintaining the internal market situation as it is, which is highly costly to all our countries? The non-tariff barriers in particular and all these customs duties are costing more than the total budget

of the European Community. Why do they not seek to dismantle these barriers and release the resources that are necessary if we are to have a new Europe?

(Applause)

Mr Graefe zu Baringdorf (ARC). — *(DE)* Mr President, unlike some of the previous speakers, we do not describe this 13 December as a day of misfortune. On the contrary! We agree that this budget should be rejected. Unfortunately, in most cases the rejection is only because of the dispute with the Council. We, however, believe that this budget must also be rejected because of its contents, for it contains appropriations which aid and abet a destructive policy. It destroys jobs instead of creating them, destroys the environment, harms our relations with the Third World, creates exploitation in the Third World and encourages the militarization of Europe.

In agriculture too — just listen to me — all these appropriations are not allocated in order to support small farmers but allocated to finance agricultural industry. There is worse to come: even the appropriations entered for food aid are basically spent in order to open up an export market for the food industry. That is why they are entered, for no other reason. If that is the aim, Parliament rejects it.

(Applause)

To put it bluntly, we also reject the budget with respect to the Council's attitude, but much more decisive are the reasons I mentioned, which are examples of the destructive policy underlying this budget.

(Applause from some quarters)

Mr P. Beazley (ED), in writing. — For myself it is with a heavy heart that I vote to reject the 1985 draft general budget. As a Member of the 1979-84 European Parliament, I can well remember the difficulties to which the rejection of the 1980 budget led.

However, in the intervening years the European Parliament has witnessed with dismay the lack of will and solidarity in the Council to face up to its responsibilities, particularly in the budgetary area.

The Council has continually disregarded the call of both the Commission and the European Parliament for budgetary discipline and the need to match the policies they approve with the appropriate funds.

Now that the Community has reached the limit of its own resources, the Council has once more failed to face up to its responsibilities.

It has presented a 10-month budget in breach of the Treaty of Rome, whilst being committed to policies

Beazley

which it knows full well will require a supplementary budget based on funds drawn forward from monies derived from an increase in own resources. This increase is contingent on a decision still to be taken on the enlargement of the Communities becoming effective on 1 January 1986. Is it this — as yet unavailable — money which must be brought into the last two months of 1985 from the first quarter of 1986.

The European Parliament's first reading of the budget presented the problems of this situation with all clarity. The Council dismissed the necessary amendments to its draft budget and took no steps to meet Parliament for conciliation.

Thus, in defence of the European Parliament's budgetary responsibilities towards the peoples of Europe and in support of our belief in the need for faster progress in building the Community, I support the resolution to reject the 1985 draft budget.

Mr Ford (S), in writing. — I welcome the opportunity to explain why I shall be voting to reject the budget. My vote for rejection is because this Community continues to fail to come to terms with the fundamental problems facing Europe. Instead, yet again the budget props up and heavily subsidizes those big agricultural enterprises who have been parasitic upon this Community's funds for far too long.

The major problems facing this Community are the immediate ones of the 14 million unemployed in the Community, and in particular the criminal waste of the young who rot on the streets of this Continent while the products of agribusiness rot in the more pleasant surroundings of intervention stores hidden deep within our cities. Nothing is being done in this budget for those people.

Equally, the longer-term problems of a group of nations which depend for their existence upon manufacturing industries and yet fail to invest in the research and development necessary if the American and Japanese challenges are to be met must be tackled. Individually we shall fail, collectively we may succeed. Yet the extent of Community effort in these areas is pathetic. Any acceptable budget must address these problems.

Mr Hughes (S), in writing. — The draft budget proposed for 1985 again proves the European Community to be a grossly expensive and wasteful irrelevance in the face of the severe economic and social problems facing the most deprived regions of Europe such as the North of England.

Until the European Community addresses the crucial issues of today — mass unemployment and crippling stagnation, as well as the need to halt job losses and to invest in the creation of jobs and industries where

needed — instead of continuing to promote ludicrous agricultural waste on an evergrowing scale, it will remain an obscene irrelevance.

The draft budget for 1985 offers more of the same and must be rejected.

Mr Newton Dunn (ED), in writing. — I shall vote for rejection for the following reasons:

The budget proposed by the national ministers is only for 10 months of next year! If it were passed the Commission could not implement it; also the British rebate would come from the expenditure side, which is contrary to the agreement by the Heads of Government at Fontainebleau last June.

Rejection will put pressure on the national ministers to complete their slow negotiations with Spain and Portugal, so that agreement can then be reached on increasing the Community's revenues.

The European Parliament cannot allow national ministers to behave sloppily about budgetary matters as they are trying to do by proposing a budget for only 10 months, contrary to the Treaty which requires a full 12-month budget. No national parliament would accept a partial annual budget like this from its ministers.

If the national ministers are allowed to continue to behave in this sloppy way this year, they will be encouraged to do so in subsequent years.

Consequently, although rejecting the budget may at first sight appear to the public as a theoretical dispute, it is in fact a vital defence of the public's interests towards making Europe run effectively.

Mr O'Donnell (PPE), in writing. — I have no hesitation in voting against the budget because of the crazy and indefensible situation which has been allowed to develop over the past few years in relation to the overall financing of this Community.

It had become quite evident in recent years that this Community was heading towards a serious financial crisis. This situation was allowed to drift to the present inevitable stage when Parliament is asked to approve a budget which is admitted to be inadequate to meet the financial needs of the Community for the next 12 months.

No Parliament in the world would approve an annual budget which would be sufficient only for 10 months of the financial year. Because of the severe financial-crisis which now confronts the Community, the provisions for agriculture, regional policy, social affairs, employment, research and technology as well as transport are totally inadequate and unrealistic.

O'Donnell

If we have insufficient funds to finance the existing Community, how are we going to finance the enlarged Community? If we think we can do so under existing Community financial resources, we are living in cloud cuckoo-land.

I believe that this Parliament has no option but to reject the budget and thereby force the Council to take the action necessary to ensure adequate financing for the Community in future.

Sir James Scott-Hopkins (ED), in writing. — I will abstain on the vote to reject the budget because I believe that we in this House are fighting the Council on the wrong grounds. The Council has no legal power to go beyond the 1% VAT rate until the motion to raise the VAT rate will have been ratified by all the national parliaments.

Therefore, we are asking the Council to act beyond its powers and we surely are acting beyond ours in our attempt to increase the Community's revenue.

We are rejecting the budget also because the Council is proposing 12 months expenditure and only promising to fill the gap between the 1% VAT revenue limit and the 12-month expenditure by a supplementary budget which it will present later in 1985. I see no reason to assume that it will not do as it promises.

In conclusion, it seems that Parliament is saying that because it does not trust the Council to bring in a supplementary budget during 1985, Parliament will not adopt a budget detailing 12 months expenditure which will exceed by 1300 million ECU the revenue available. I cannot accept that these are sufficient grounds for rejection, bearing in mind the undoubted hardship which will arise in several sectors, such as agriculture, food aid to starving people and social and regional aid to backward areas of our countries.

Mr Seligman (ED), in writing. — I intend to abstain in the vote on the 1985 budget, because rejection of the budget would throw an unnecessary spanner in the works just when the EEC is at last moving forward after the Heads of Government agreements at Fontainebleau.

The advocates of rejection suggest that the budget is illegal because it does not provide sufficient money to cover the probable 1985 expenditure. This is a doubtful argument.

If, on the other hand, the Council were to include the amount of money recommended by the Parliament, this would itself be a breach of the 1% VAT ceiling, which would definitely be illegal. So the legal reason given for rejection is inadequate.

Since we have a verbal undertaking from the President of the Budget Council, Mr O'Keefe, that the money

will be made available if it is needed towards the end of the year, I see no reason to doubt a publicly given undertaking.

We are fighting on a temporary technicality. I would prefer to fight on a long-term issue, such as Parliament's power to fix the ceiling figure under budgetary discipline, jointly with the Council.

This is an issue which will apply for 1986 and for many years after.

Mr Taylor (ED), in writing. — I support the draft budget for 1985 and I consider the recommendation of the Budgets Committee to oppose the budget as being politically inept. It is unreasonable to reject the budget when there is a firm assurance from the Council that revenue will be found later in 1985 to finance the entire twelve months. It would be illegal for this Parliament to approve a budget which exceeded the 1% VAT own resources level and, consistent with the policy of my party — the Conservative and Unionist Party in the United Kingdom — I do not support the increase to 1.4% own resources until there is satisfactory evidence of budgetary discipline in Community expenditure.

Accordingly, the acceptance of the draft budget would mean a full cash flow from 1 January 1985 with an assurance that all revenue would be available for twelve months. Instead the Parliament embarks upon a totally irresponsible course of rejecting the draft budget and thereby, in practice, from 1 January 1985 introducing reductions in payments under the Farm Guarantee Fund, payments to our unemployed for training schemes, payments under the EAGGF to our fishing fleets and payments of food aid to the Third World. I deplore these reductions. The public will be right to condemn the European Parliament for ensuring these reductions.

A rejected budget could last until mid-summer when possibly Parliament will then be humiliated and agree to the Council compromise. This can only further reduce the credibility of the European Parliament amongst the electorate at a time when it urgently needs its prestige enhanced.

Rejection of this draft budget is bad for the people of Europe; it is bad for the people of the United Kingdom; it is bad for the future of the European Parliament.

Mr Toksvig (ED), in writing. — (DA) We tried to the end, as Danish Conservatives, to put on the agenda a motion for a resolution which would require the Budget Ministers to come along and discuss this situation with our Committee on Budgets. We could not find a procedural solution. We therefore voted for rejection — since we were unable to devise a solution.

Toksvig

We hope and believe, Mr President, that it was the Council, and not those in charge at the Parliament, that broke off the negotiations for a compromise. It is depressing to go on holiday knowing that we could perhaps have achieved more. But in the circumstances we voted with the group under the leadership of Lord Douro.

Mr Turner (ED), in writing. — I abstained in the budget veto vote because, although no doubt the constitutional and legalistic position between, Parliament and the Council of Ministers leads naturally to a veto, the Council has recently taken the first positive steps on budgetary discipline, the British budget problem, the entry of Spain and Portugal and the provision of higher funds from VAT. It is therefore an unpropitious time for public squabbling, which will be misunderstood by those in the electorates of the 10 Member States who have goodwill for European unity.

(Parliament adopted the motion for a resolution (Doc. 2-1185/84))

President. — As a result of this vote, all the amendments fall.

I would inform the Council of this decision by Parliament and invite it to submit a new draft budget.

(Loud applause)

Mr O'Keefe, President-in-Office of the Council. — Mr President, ladies and gentlemen, you have now exercised your power to reject the draft budget which the Council sent to you.

The Council reserves its position as to the conclusions to be drawn and the consequences of your decision. I trust that, as the consequences of rejection sink in, Parliament will cooperate with the Council in finding a solution.

(Applause)

5. *Insis*

President. — The next item is the report (Doc. 2-1103/84) by Mr Herman, on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on

the proposal from the Commission to the Council (Doc. 2-588/84 — COM(84) 380 final) for a decision on the coordination of the activities of the Member States and Community institutions with a view to setting up a Community interinstitutional information system (INSIS).

Mr Herman (PPE), rapporteur. — (FR) Mr President, I am pleased to be able to inform you that the Committee on Economic and Monetary Affairs has unanimously adopted the report which I am laying before you. This is an interesting project which involves expenditure of five million ECU for five years with the object of promoting a system of telematic links to improve the efficiency of the institutions, together with experiments, on a real scale and at a concrete level, into initiatives by the telematics industry: it can therefore be seen as a pilot scheme.

We agree with the Commission's priorities, with one exception. In our view, teleconferencing does not at this stage merit the urgent priority accorded it by the Commission.

On the contrary, we would prefer more emphasis to be placed on the proposal that the facilities provided by the proposed system be extended to all Members and not just to Parliament. By making available to each individual Member a terminal giving direct access to the data banks and statistics of the Commission, the Council and national administrations, we should enable all Members of Parliament to work more efficiently at lower cost. With this slight amendment and this comment, with which I hope the Commission will agree, I would advise Members to adopt this report, as the Committee on Economic and Monetary Affairs did, and hope that the Commission will take note of the remarks which we have included in it.

(Applause)

IN THE CHAIR: MR SEEFELD

Vice-President

Mr Turner (ED). — Mr President, one almost needs modern technology to be heard in this Chamber. I only want to say, speaking for my own group and, I believe for that matter, all groups in the Energy Committee, that the Committee on Energy, Research and Technology is very much in favour of this measure. We must, however, make absolutely sure that everything Parliament does to take up high technology fully observes the principles of common technical standards.

I wish, Mr President, to refer to one such technical standard straight away and that is the open system interconnection, which is value-added channels for all forms of computers. This system has been set up by European companies and many American companies so that we have a common system throughout the world and no proprietary channels — it is half completed already. A meeting took place in Paris only yesterday, I believe, concerning it and in the next half of 1985 we must make quite sure it is completed. If we

Turner

delay longer, then the European companies and our American allies, the companies that support this proposal, will not be able to adopt it because it will be too late for them.

Secondly, Mr President, I would like to say that to adopt OSI is absolutely vital for the success of the Esprit project. Without OSI Esprit could be forgotten. The second element in breaking down barriers concerns telecommunications in Europe, which are disastrously split up by technical barriers. OSI will reduce these by one half, but the other half of the barriers remain and they have got to go. I would like to designate the technical process of getting rid of these barriers Telesprit so that we have Esprit and Telesprit and I hope that tomorrow we shall decide also to have Biosprit as well. In this way Europe's high technology can be got going.

(Applause)

Mr Tugendhat, Vice-President of the Commission. — Mr President, the Commission would like to thank Mr Herman for his excellent report. We note with pleasure that the resolution to be discussed by Parliament will contribute towards the strengthening of ties between the institutions of the Community and bring considerable support to the development of new information technologies.

The purpose of the INSIS programme is to set up a Community-wide information system aimed at improving the circulation of information between the Community institutions and the Member States' administrations. This information system will make the widest possible use of the new information technologies.

The programme pursues in parallel three main objectives: first of all, to increase the efficiency of public administrations within the Community; secondly, to help the European information technology industry to increase its competitiveness by creating a typical leading edge market; and thirdly, to stimulate the harmonized development of a more efficient telecommunications infrastructure and new telematic services across national borders.

The Commission considers INSIS to be an important component of its overall policy in the field of information technologies and telecommunications. Therefore it welcomes the strong support that Parliament is giving to this programme. The Commission is conscious that the success of INSIS will depend heavily upon its capability to promote the harmonized application of international standards throughout the Community. The Commission therefore welcomes the help that Parliament is offering to overcome political obstacles which can impede the achievement of this objective.

INSIS intends to be a user-driven programme; its priorities have been defined by users' representatives

from each Community institution and each Member State administration. These representatives have been working together in the INSIS Users' Advisory Committee since July 1983.

The highest priority has been assigned to the development of electronic systems for the transmission of written documents and to ameliorating the access to electronic data bases. Also identified, if less urgent, is the need for the development of video conference services. These services will be important when they enable their users, mainly officials, to make the most efficient use of their time by reducing the need for travel — particularly relevant, if I may say so, Mr President, in the Community.

There are still problems of user acceptance to be solved. It is for this purpose that a pilot video conference project has been launched.

As one of its major initiatives in the framework of INSIS, the Commission has launched a project aimed at providing the Members of the European Parliament with a video-text service. A first trial system will run from April to December next year; then, based on such experience, an operational system will be designed and implemented. This trial system will enable the Members of the European Parliament to gain access to information relating to their current work — that is to say, meeting schedules, agendas, working documents and so forth, as well as socio-economic and judicial information. In addition, an interactive messaging system will be provided. The range of services provided by the operational system will be improved in accordance with those raw new user needs which emerge from the trial.

The Commission intends to provide Parliament with the widest possible information about the INSIS programme. For this purpose, an information seminar for the Members of the European Parliament is in the course of preparation. It will be held in Brussels in Spring 1985.

The Commission acknowledges Parliament's request for an annual report covering all the activities in the fields of telecommunications and information technology. We agree that the need for such a report is becoming important in view of the many correlated actions now being undertaken in this field.

President. — The debate is closed.

The vote will be taken at the next voting time.

6. Turnover tax

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

President

- the report (Doc. 2-1135/84) by Mr Rogalla, on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on

the proposal from the Commission to the Council (Doc. 2-452/84 — COM(84) 318 final) for a Sixteenth Directive on the harmonization of the laws of the Member States relating to turnover taxes — common system of value-added tax: common scheme for certain goods on which value-added tax has been finally paid and which are imported by a final consumer in one Member State from another;

- the report (Doc. 2-1136/84) by Mrs van Rooy, on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on

the proposal from the Commission to the Council (Doc. 2-589/84 — COM(84) 412 final) for a Seventeenth Directive on the harmonization of the laws of the Member States relating to turnover taxes — exemption from value-added tax on the temporary importation of goods other than means of transport;

- the report (Doc. 2-1140/84) by Mr Beumer, on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on

the proposal from the Commission to the Council (Doc. 2-446/84 — COM(84) 391 final) for a Twentieth Directive on the harmonization of the laws of the Member States relating to turnover taxes — common system of value-added tax: derogations in connection with the special aids granted to certain farmers to compensate for the dismantlement of monetary compensatory amounts applying to certain agricultural products.¹

Mr Rogalla (S), rapporteur. — (DE) Mr President, ladies and gentlemen, in this atmosphere of quiet after the budget vote we now turn to an equally important area, the participation by Parliament in Community legislation in the field of tax harmonization.

May I point out that less than a year ago the committee whose report I am presenting today instructed me to draw up an own-initiative report on taxation, in order to resolve the question or at least indicate how the Community could make up its shocking backwardness in legislation on tax harmonization.

¹ Also included in the debate were the following oral questions:

- by Mr Beazley and others (Doc. 2-1087/84) to the Commission on aids to domestic industries;
- by Mr de la Malène (Doc. 2-1049/84), on behalf of the Group of the European Democratic Alliance, to the Council on VAT relief granted by the German Federal Republic in the agricultural sector.

Today we have a chance — unfortunately, in the end this goes against the Commission's intentions — to have a say in tax harmonization in a very restricted field, namely, the field of secondhand goods which private individuals who are not subject to VAT bring from one Member State into another. To make the position clear, I can give a simple example. An English private customer buys a secondhand car in Belgium from a Belgian private individual. This transaction is not subject to VAT within the meaning of the VAT directives. But when the Belgian private individual bought the car new, he did pay VAT. In other words, this saleable good has already fulfilled its VAT obligation. The price which the Belgian private individual fixes naturally takes account of the VAT he paid. But if the English consumer brings the vehicle into the United Kingdom, he has to pay VAT when he imports it.

The European Court of Justice had to decide a similar case some 2½ years ago. That case related not to a car but to a boat. The judgment made history and entered legal literature under the title of the *Gaston Schul* case. This poses the question to all well-intentioned people, especially the tax experts in the Commission and the Member States but in particular also the consumers, of what happens in such a case, whether it really is conceivable that VAT has to be paid again for a car or pleasure boat that has already been taxed, already introduced into the economic process, simply because it crosses a Community frontier — deplorable as these frontiers all are. The Court of Justice said that could only happen if the tax which was already paid on this good is refunded or taken into account, that is to say, if the consumer is, so to speak, neutralized as regards the tax burden, as in the case of commercial goods.

The Commission, however, did not see it as just a matter of secondhand goods, secondhand cars, transactions by private individuals who may perhaps, after 25 years — and if only in this small area — for once want to see, touch, feel the European Community in their bank account too.

Instead of endorsing this natural view taken by the Court of Justice, according to which secondhand cars should not be subject to the cruel god of tax a second time, the Commission has set up a complicated system like the one for marketable goods, which means: exemption from VAT in the country of exportation and payment of VAT in the country of importation. The Commission believes it can justify this difficult and complex system under the heading of fiscal justice. Of course, it is fiscally just for the exporter to be exempted from taxation, as in the case of marketable goods, and for the importer to pay the tax. But this principle of fiscal justice is clearly incompatible with the principle of bringing the Community closer to the citizens, that is, the principle that the man in the street should at last feel the benefits of the Common Market.

That is why we in the Committee on Economic and Monetary Affairs and Industrial Policy unanimously

Rogalla

concluded that the Commission's attitude regarding fiscal justice is untenable. The European Parliament cannot endorse this proposal. We believe that the Commission must at last — and I am repeating this for the third time — stretch a point, if you like, in favour of the citizen and put the principle of fiscal justice in second place.

So we believe Parliament must reject this proposal. Instead a six-stage programme should be introduced. The first stage would be for secondhand goods of all kinds, and naturally also secondhand cars of all kinds, to be able to circulate freely within the Community once the initial tax has been paid, without any further VAT requirements; in line with the Court of Justice's judgment, the burden of proof for the quality of the secondhand goods or car, as the case may be, is incumbent on the person who wants to import those goods into another Member State.

Secondly, the existing spread of the normal VAT rate of between 14% and 19% could now be narrowed to between 15.5% and 17.5% for commercial goods too — and we should also take this opportunity to note that there is only a difference of 5 percentage points in the normal VAT rate, which produces some 80% of the total VAT revenue, between the four large important Community states with their enormous trading capacity. The public should know this, so that stronger pressure can be exerted also from the outside on the Commission and the Council to make progress in harmonization at last.

Narrowing this differential would thus be the second stage. The third stage would be to review the differential of the tax relief rates, especially for basic foods. The fourth stage would be the gradual reduction of the so-called luxury tax rates for certain goods: in France, for instance, it is 33.3%, in Belgium 25% and in Italy 38%. As I have said, luxury taxes account at most for 10% to 25% of the total revenue from VAT. So they form a fairly small component. We want to take this bold step, and that is what we ask the Commission, by means of this historic decision of the European Parliament.

Fifthly, we could consider appropriate direct taxation measures to compensate for the lowering or raising of VAT, or a simple compensation payment from the budget. That could easily be financed in the final stage from the VAT shares of the Member States, perhaps from a 1.6% VAT. For the financial gain accruing from the highest bracket of this luxury tax and the revenue from normal VAT in the two Member States which deviate upwards from the general picture are as low as that. I am thinking primarily of Denmark, which has a normal VAT rate of 23% with a comparatively low volume of trade, and secondly of Ireland with its equally small trade volume and a normal VAT rate of 35%.

I appeal to Vice-President Tugendhat to join us in working out this European Parliament initiative. We

want to make use of this opportunity. In the conflict between fiscal justice at any price and bringing the Community closer to the citizens, we want to opt quite clearly for the latter.

In conclusion, may I draw your attention even now to a problem of interpretation which may arise from Rule 35 of the Rules of Procedure. We propose that Parliament reject the Commission's proposal for a directive, *in toto*, as stated in paragraph 5 of the motion for a resolution. Pursuant to Rule 35, in such cases the Commission must be requested to withdraw its proposal. However, the vote on the proposal for a directive is not taken separately from that on the motion for a resolution. Instead, the adoption of paragraph 5 of the motion for a resolution automatically results in rejection of the proposal for a directive. May I therefore ask that Rule 35 be applied to this end during the vote.

Mrs Van Rooy (PPE), rapporteur. — (NL) Mr President, the draft for the 17th VAT directive represents a modest step forward in the direction of a better functioning internal market. Because this Parliament attaches a high priority to strengthening the common market, the Committee on Economic and Monetary Affairs and Industrial Policy has also given its blessing to this proposal.

The 17th VAT directive may be regarded as a form of European deregulation. Indeed, various divergent national rules are making way for clear European rules. They are rules, moreover, which, as far as temporary importation from non-member countries is concerned, are on the same lines as a regulation, already approved, covering the same ground, but in that case for exemption from import duties. Specifically therefore, this means that in the case of temporary import from non-member countries procedures at the frontiers are better adapted to one another and are clearer. And that is an advantage. Another advantage lies in the possibilities of exemption which the directive offers for intra-Community trade. If we compare the directive now before us on this point with the present national rules, we must agree that there is a clear expansion of the possibilities of securing exemption from payment of VAT on temporary import.

We must expect that this directive will above all be of advantage to undertakings which take part in exchanges and exhibitions in other Community countries and which must therefore import their products temporarily into those other Member States. Thanks to this directive, that will be possible without payment of VAT. That is the most important function of the directive.

As I have mentioned, the Committee on Economic and Monetary Affairs and Industrial Policy has on balance adopted a positive attitude towards this draft directive, but that does not actually prevent the committee from making a number of critical marginal notes with regard to it.

Van Rooy

That remark concerns first of all the time-limit for establishing the amount of the tariff if the goods are eventually not re-exported. On that point the regulation on import duties which I mentioned earlier and this directive on VAT are not identical. The periods for the determination of value are not the same, and that naturally means additionally complicated procedures. The Commission has acknowledged this and has already announced that it will introduce a proposal for an amendment to the 6th VAT directive in order to solve the problem. However, the Economic and Monetary Committee regrets that the proposal for an amendment has not been introduced at the same time as this proposal for the 17th VAT directive. We hope we may receive the Commission's proposals on this point at an early date.

A second critical marginal note concerns the security demanded before use may be made of the rule on exemption from VAT. The provision of security has always been a difficult and complex formality, even though the directive offers a certain relief in allowing the importer to opt out of certain forms of security. Then too the Economic and Monetary Committee takes the view that the requirement of security must be terminated as speedily as possible. The lodging of security is an impediment in intra-Community trade in goods. This termination of the requirement of security may be effected by extending the scope of Regulation No 3/84 to the products covered by the 17th VAT directive, since Regulation No 3/84 provides in a highly simplified procedure for temporary use of goods in other Member States without the requirement of lodging security. It is only a pity that this Regulation No 3/84 relates only to a very restricted list of products.

The 17th VAT directive now offers a basis for considerably extending the scope of Regulation No 3/84 and in doing so to make an essential contribution to the strengthening of the internal market. In the Economic and Monetary Committee's view, there is definitely no need to wait until the experimental period of Regulation No 3/84 has expired — that is, until 1988. In the opinion of our committee the European Commission would do better to come up with proposals before then, preferably as soon as possible.

Next I should like to deal with the first amendment introduced by the Economic and Monetary Committee. This concerns a rather complex but important section of the directive. In the original version of the draft directive it is provided that businesses which have a fixed establishment in another Member State and which wish to export temporarily to that Member State cannot be granted exemption from payment of VAT. On the other hand, as regards businesses which have in that other Member State a subsidiary with a special legal status, the possibility of exemption from payment of VAT does exist.

In view of the fact that more often than not it is the larger undertakings which have in other Member

States subsidiaries with their own legal personality, whereas small and medium-sized undertakings mostly operate with fixed establishments, this provision may lead to placing small and medium-sized undertakings at an unjustified and unnecessary disadvantage. This is recognized also by the European Commission, and the Economic and Monetary Committee has therefore tabled an amendment to eliminate this discrimination.

On this point of discrimination we are faced with a typical example of the frequently insufficient attention which is paid within the European Commission to the specific position of small and medium-sized undertakings, precisely where specific proposals for directives or regulations are concerned. In general policy documents it is true that there is always fine pleading in favour of small and medium-sized undertakings, but as soon as it comes to specific measures they are quickly forgotten and all too often their interests fall between two stools. So it is very much to be regretted that in the distribution of portfolios in the new European Commission it was once again not thought necessary to give a single Commissioner express responsibility for the coordination of small and medium-sized undertakings. At least in the published material about the distribution of portfolios amongst the new Commissioners the expression 'small and medium-sized undertakings' is nowhere to be found; I regard that as a missed opportunity.

Then a single marginal note about the implementation of this directive. The laying down of provisions for its implementation is left to a considerable extent to the Member States, as, for example, regarding the issue of authorizations, the identification of goods, surveillance and inspection: The discretionary powers of the Member States are thus fairly extensive and there is also the possibility that Member States may lay down intricate administrative provisions and complex procedures as a result of which in fact the practical benefits of the directive will be reduced to a minimum, and thus once again the Economic and Monetary Committee urges the European Commission to ensure that the Member States' implementing provisions for this directive are as simple as possible.

I come to my last, but certainly not my least important, marginal note. As I stated at the beginning, the 17th VAT directive is a modest step in the direction of a genuine common market, but nothing more. However, if we do not wish the common market always to remain a happy dream for the future, qualitative steps forward must be taken. One important step in that direction is the 14th directive on the transference of payment of VAT from the frontier to the interior of the country. That directive should make it possible to reduce considerably delays at the border and thus naturally also the high costs involved in such delays. What is more, the 14th VAT directive should make the 17th directive, which is now under discussion, largely superfluous, because for many undertakings it is simpler and therefore more inviting to make use of

the transference rules rather than of the exemption rule now under consideration.

Unfortunately the Council is rather holding back in dealing with the 14th VAT directive, and the United Kingdom has even turned the clock back in the matter. Nevertheless, in Dublin last week the Heads of Government solemnly declared once more that the strengthening of the internal market must have high priority. It is to be hoped that the communiqué from the Dublin Summit will not only go to the Press but that the specialist ministers will read it and realize fully what the consequences of such a declaration actually ought to be, that is, that one of the biggest bottlenecks at frontiers, namely, the collection of VAT, is eliminated. That naturally means, we acknowledge, a loss of interest for the exchequer of the Member States, as the VAT will have to be collected later. But that must be regarded as an investment in the future of the European Community, an investment which will undoubtedly lead to a high return in the form of less expensive delay at the frontiers and more intra-Community trade.

Mr Beumer (PPE), rapporteur. — (NL) Mr President, the proposal for the 20th directive has a strange history. It is involved primarily with the incorrect operation of articles of the Treaty by the Council — I am thinking above all of Article 93(2), leaving both the Commission and the Parliament out of account. That gives rise all the more to problems in which the effect of the Council decision interferes drastically for example with agricultural policy and fiscal policy. Leaving those institutions out of account in this way is contrary to the Treaties and thus in principle unacceptable to Parliament. As rapporteur of the Economic and Monetary Committee, I can best make clear its viewpoint by explaining once more the various phases of decision-making.

On 6 November 1983 there was a proposal from the Commission for dismantlement of monetary compensatory amounts, as a result of which it would be necessary to take into account the income position of farmers, and more specifically of German farmers. That was a point of view with which Parliament concurred and still does. The Commission had established a number of criteria. The aid was not to amount to more than the fall in income resulting from the fall in prices — it was to be degressive and of a temporary nature — and three marketing years were mentioned. Also the implementing provisions were to be laid down on a proposal from the Commission.

On 15 March 1984 Parliament approved these proposals and once more repeated these criteria. However, it stated at same time that if the Council were to amend the proposal radically, there would have to be a fresh opinion from the Parliament. My question is: can we not declare that there has indeed been a radical amendment and that therefore Parliament ought to have been consulted?

I come now to the Council's regulation of 31 March. We receive it together with an implementing measure by the Council. Three per cent aid is regarded as compatible with the Common Market, and all at once the VAT instrument is brought forward, of which it is known at the time that it would conflict with the Sixth Directive. Astonishingly not a single one of the criteria mentioned by the Commission is to be found in the regulation. It is also astonishing that the implementing measure has no connection with the dismantling of monetary compensatory amounts. I can find only the statement that the amount of aid is not to be higher than 3% of the price paid by the purchaser for agricultural products exclusive of VAT.

Since it was known that the German Government would adopt an aid measure also by way of VAT before the start of the formal dismantling on 1 January 1985, the President of Parliament wrote a letter on 28 May in which she referred to the necessary prior amendment of the Sixth Directive. But we may now conclude that that letter was not taken into account.

I come to Fontainebleau. On 25 and 26 June the European Summit of Heads of Government raises the three per cent to five per cent. Next it is provided that the amount of the aid is not to exceed the reduction in the monetary compensatory amount. My question to the Commission and also to the Council is: is that five per cent compatible with this formula?

It is important that in Fontainebleau it was stated that such an implementing decision would have to be based on a proposal from the Commission. What do we see? We then get the Council Decision of 30 June from which it appears that the Council is not honouring this decision of the Heads of Government. Article 93(2) is used, and thus both the Commission and Parliament are left out. I have three questions in this connection. The first question is this one to the Commission and also to the Council: why was the decision not taken on a proposal from the Commission as the Heads of Government had suggested? The second question: was the Commission perhaps not willing to make such a suggestion? The third question: if so, why was the Commission unwilling to make the proposal? I hope for clear answers.

I think the position here is that in the Council they wished to force through an internal compromise and that for that purpose they made use of Article 93(2). However, in so doing they came into conflict with Articles 43, 99 and 100 of the Treaty, because where specific areas of policy are concerned consultation with the Commission and Parliament is actually essential. I give a warning particularly in this Parliament of the dangers of accepting this method, which would mean that whenever the Heads of Government take the view that the Commission and Parliament may make great difficulties, they resort again to Article 93(2). That would be a particularly undemo-

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cratic way, and for that reason my opinion is that we must in principle reject this course of conduct.

I come now to the German Federal Republic's legislation. I cannot do anything other than state that we have here a further infringement of the Treaty. Why? Because the Law came into force in 1 July without the Sixth Directive having been amended. My question to the Commission is: how did it react and how does it think of reacting to this situation?

Finally I come to the directive itself, the 20th directive. I note that a percentage of aid is referred to therein. Thus the Commission has taken that over from the Council, five per cent for four marketing years, instead of three as the Commission itself had first proposed. I should like to ask the Commission for calculations showing that the formula of the Heads of Government that the aid must not be higher than the amount of the reduction tallies with the figures. I notice also that in the directive itself no limit is laid down as regards exceeding the three per cent. Here, then, the Commission is at variance with its own original ideas. I should also like to ask how the Commission assesses the aid of five per cent, or three per cent, as the case may be, unrestricted, from the point of view of equal conditions of competition.

Next point: is it not the position that in fact there is no reference to degression, and does not that also mean that we must say once again that the Commission is failing to comply with its own original ideas? And does not the provision of aid for all agricultural products — which is the result of the implementation of the VAT instrument — mean that the connection with the MCAs is abandoned? And then, Mr President, I turn to the fiscal effect. Support through the VAT system, the Economic and Monetary Committee states, would be possible only if the essential principles of VAT are adhered to. Does that not mean that you would have to separate aid and VAT? In the second place, does it not also mean that you would have to keep the calculation and collection of own resources intact and could not touch them? I notice that in the German legislation these guarantees are not present.

My question is as follows: does that mean that the Commission is saying — and I should be glad to have an answer from the Commissioner — that if you are going to maintain fiscal neutrality and if you do not wish to affect the legislation on VAT principles, on own resources, then that separation is necessary, whilst it seems that in Germany they think that separation is not possible? Then that means that in fact they are saying: the practical application of VAT as the Commission intends it is impossible.

Let me end by saying: by reason first of infringement of essential procedural requirements; by reason of the fact that the Commission has abandoned its own criteria, which I cannot see reproduced in the 20th directive; by reason of very serious doubts as to whether

VAT is indeed the most appropriate instrument — and I am now thinking both of the maintenance of the principles of VAT and of our own resources, and of the strain as regards the practicability of those principles — on those grounds I must, in the name of the Economic and Monetary Committee, ask the Commission to withdraw its proposal. I shall be glad to hear the Commissioners' opinion on this and I should like to ask — in the interests also of the German farmers — for the speedy introduction of a fresh proposal which will include the Commission's own criteria, which Parliament has rightly supported in the past.

Mr Wettig (S), draftsman of the opinion of the Committee on Agriculture, Fisheries and Food. — (DE) Mr President, I want to endorse what Mr Beumer said on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy. Like that committee, the Committee on Agriculture, Fisheries and Food has concerned itself with the two central issues of this directive.

Firstly, the question of how the directive came into being — and the Committee on Agriculture, Fisheries and Food takes the view that the European Parliament cannot accept this for constitutional reasons. All the circumstances, which Mr Beumer has described in far more detail than I can do here, suggest that a central right of the European Parliament has been infringed, the right to be consulted promptly on such a decisive change in Community law. First, this is because one institution has taken a decision of principle for which no provision at all is made in the Treaty of Rome and secondly, because this has been done in a way which merely makes the European Parliament into the implementing body for decisions already taken. This violates the obligation to consult the European Parliament on decisive questions of Community policy. We therefore took the view that the European Parliament cannot accept this directive in these circumstances, given that the European Court of Justice's judgment in the Isoglucose case once again clearly confirmed that after the first direct election all institutions must strictly observe the European Parliament's right to be consulted in the European Community. We must expressly remind the Council of Ministers and in this case also the Commission of this.

My second point is that this directive is aimed at giving aid. All aid provisions within the common market are subject to very strict rules. In our view, these rules have been infringed in this case. Aid is to be granted to compensate for the losses resulting from the dismantlement of the monetary compensatory amounts in the next few years. However, it is clear that the chosen form of a flat-rate tax prepayment will benefit all those firms, and also farmers, who are not even affected by the dismantling of the monetary compensatory amounts — which in the Federal Republic of Germany accounts for a relatively large number.

Wettig

My third point is that farms which can improve their market position as a result of the dismantlement of the monetary compensatory amounts will also benefit from this, especially farms using feedingstuffs which had previously become more expensive because of the MCAs in the Community. Here too the decision of the Council and the Commission conflicts with Parliament's position. We took the view that small and medium-sized undertakings should primarily be granted aid when the monetary compensatory amounts are dismantled. The chosen form of the directive — and this is the consequence of operating via tax law — will mean, however, that firms with a large turnover will benefit more than those with a low turnover. That is bound to lead to distortions in intra-Community trade and therefore threaten the common market. That is why we feel we cannot accept this directive. We also regret that the possible alternatives in the overall procedure were not given adequate attention.

The Committee on Agriculture, Fisheries and Food definitely considers that aid is necessary. This question must be settled in the further negotiations. For the moment we urge the Commission to take Parliament's decision seriously and to produce a proposal which really takes account of Parliament's views. We also urge the Federal Republic to make proposals in these negotiations which this Parliament can also accept. Both these moves would help create a new relationship with the European Parliament.

Mr Louwes (L), draftsman of the opinion of the Committee on Budgets. — (NL) Mr President, on behalf of the Committee on Budgets, I should like to give a short commentary on this so-called 20th directive. The subject matter in question, the content of this Commission proposal, has already been made clear from the statements made by Mr Beumer and Mr Wettig. I shall not repeat them. Let me say first that compensation for the farmers in the Federal Republic, and indeed in the Netherlands too, seems to me to be reasonable. It is simply politically unrealistic to leave uncompensated, certainly in the Federal Republic, the extensive dismantling of the monetary compensatory amounts. Both gentlemen have, I think, already mentioned that this Parliament too is in agreement with the proposal, as may be seen from its declaration of 15 March last.

Nor has the Committee on budgets any objections as regards the budgetary consequences for our Community. Expenditure will not increase as a result of the overcompensation created in the meantime, which the Federal Republic has meanwhile been authorized to pay. The Federal Republic can always give it itself to its farmers at its own expense and not at the Community's. That is not the objection of the Committee on Budgets. The objections felt almost unanimously by the Committee on Budgets — there was only one vote against my opinion — concerned above all technical

matters connected with the Treaty and institutional questions. Mr Beumer has mentioned and described them all. I do not wish to repeat them, all the more since they are also referred to *in extenso* in my opinion.

But a reading of the two documents makes one's hair stand on end. I can hardly imagine that the Council has ever operated in a more slipshod way with a more or less complete neglect of legal procedures, amongst other things by relying on articles of the Treaty which in this case are entirely inapplicable. One can indeed endorse Mr Beumer's expression when he says: a strange history.

In conclusion I should like to refer first to the fact that the Committee on Budgets has advised the Commission to withdraw its proposal and also to adopt an appropriate reaction to the implementing legislation in the Federal Republic. Secondly, I am afraid that this mouse, for that is what it is, financially, for the Community, may well have a long tail. It looks as though it may eclipse the whole notorious isoglucose case. Naturally I put first and foremost the fact that the German farmers must not be the sacrifice for all this.

In view of the time I do not wish to go into the possible legal consequences which the effect of these reports, the withdrawal of the directive, the question of legal advice on the implementing legislation in the Federal Republic, may have on the solution found in Fontainebleau as regards the possible repayment to, or perhaps lesser payment from, the United Kingdom.

President. — As was made clear by the President-in-Office in his statement yesterday evening, the Council cannot be present for this debate. The oral questions by Mr de la Malène and Mr Beazley, which are included in this joint debate, will therefore be answered in writing.

Mr Tugendhat, Vice-President of the Commission. — Mr President, I am afraid the House will have to bear with me for a little while if I am to answer satisfactorily, or to endeavour to answer satisfactorily, the points that have been raised and will be raised on the 16th VAT directive, the 17th and, of course, the 20th. As they are being taken together I will deal with them together, but I will make my speech in clearly self-contained parts in order that Members realize which part I am dealing with.

I take first, of course, the proposal for a 16th VAT directive put before the House today by the Commission following the judgment of the European Court of 5 May 1982 in the so-called Gaston Schul case. In its decision the court specified the conditions under which goods obtained by a private individual from another private individual may be subjected to VAT upon importation into another Member State. The

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court indicated in particular that taxation in these circumstances was permissible provided the residual VAT imposed by the Member State from which the goods were exported was taken into account.

Mr President, without wishing to call into question the direct effect of Article 95 of the Treaty and the authentic interpretation given in the Schul case, the Commission considered that it was desirable, indeed necessary, to lay down Community rules providing for uniform application of the principles established by the court. At present the situation is unsatisfactory, because certain Member States have adopted general implementing procedures while others deal with difficulties case by case and, in any event, the principles of application differ from one Member State to another.

I cannot disguise, Mr President, my disappointment upon reading Mr Rogalla's report and the draft resolution that has been submitted to you. It seems to me that there is scant justification for accusing the Commission of having adopted a bureaucratic solution or of having taken into account only the interests of tax administrators. In preparing this proposal, the Commission ultimately did no more than give effect to the implicit invitation from the court to bring forward legislation ensuring complete neutrality of competition involving full reimbursement of tax upon exportation.

Mr President, the proposal which the Commission has adopted is designed to meet two main objectives. The aim is to ensure that there should be no tax advantage or penalty depending on whether the private individual acquires the goods in his home country or in another Member State. At the same time, our object is to ensure a fair division of tax receipts between the Member States concerned, having regard to the use made of the goods in the respective territories.

The mechanism proposed attempts to meet these two objectives as simply as possible and with a view to avoiding excessive formalities for individuals when moving between Member States. I would observe that although the principle laid down is for the reimbursement of residual tax in the country of exportation and taxation in the Member State of importation, very generous exemptions are provided for, enabling the private individual to avoid all formalities or additional tax.

I must also mention, Mr President, another important aspect, namely, the fact that the Commission proposal extends the scope of the Schul judgment. This judgment is limited to the case of goods purchased by one individual from another individual. We have extended the principles laid down by the Court to all final consumers — whether they are private individuals or exempt taxable persons — as well as to goods acquired by an individual from a taxable person provided certain conditions are met. I note with regret that these undoubted advantages did not convince the Committee on Economic and Monetary Affairs and Indus-

trial Policy. The solution preferred by the committee would involve exemption pure and simple for all goods acquired by a private individual from another, the sole condition being that these goods at some stage had been subject to tax. This solution, if I understood it aright — and I recognize from Mr Rogalla's interventions that he feels that I have not — would exclude the extensions which the Commission proposes making to the scope of the principles laid down in the Schul case. The solution which the committee proposes appears at first sight very attractive. But I am not sure that there may not be disadvantages as well, nor is it at all certain that this solution can be adopted at the present stage of tax harmonization. In order to benefit from the exemption, it is necessary to be able to prove that the goods were taxed when first acquired, even accepting that proof would not be required for low-value items, as indeed we propose. It seems to be difficult to adopt this approach for all goods. The being the case, the necessary formalities would be little different from those required under the exemption taxation solution.

Mr President, it is difficult to satisfy all interests. The House will have noted Mrs van Rooy's recent criticism of the Commission in connection with the 17th Directive for not having set out strict procedural rules concerning formalities, whereas Mr Rogalla, for the 16th Directive, makes the opposite point. He considers the rules to be too strict.

The most controversial question is whether a system of this kind could reasonably be implemented at the present state of tax harmonization. The differentials between Member States as regards the main items likely to be subject to transactions between private individuals are very great, varying between 12% and 38% for private cars, pleasure boats and oriental carpets, between 5 and 23% for antiques and *objets d'art* and between 12 and 35% for television sets, hi-fi equipment and furniture. In these circumstances an automatic exemption system would inevitably open up possibilities for fraud and abuse of all kinds of which ordinary businesses would be the principal victims, with a consequential call for the tightening up of controls.

Mr President, I would therefore urge Parliament not to reject the Commission's proposal out of hand but to refer the matter back to the committee so as to provide an opportunity for further dialogue between the Commission and Parliament.

I regret that this point does not meet with Mr Rogalla's agreement, not only because I would like to be in agreement with a man who wears his colours so conspicuously on his heart but also because, in general terms, the Commission's views and those of Mr Rogalla run very much in parallel.

Mr President, on the 17th Directive I have very little to say. The Commission would like to thank Mrs van Rooy for her admirable report on this highly technical

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and difficult topic. The Commission agrees entirely with the views expressed in the report and accepts the amendments proposed by Parliament.

On the 20th VAT Directive, however, I have to speak at slightly greater length. The proposal now before the House was presented by the Commission following two decisions taken by the Council in connection with the reduction of positive monetary compensatory amounts. In essence, this directive provides the legal base for the payment of aid in Germany to take account of income loss suffered by farmers there due to reduced support price levels in national currency.

The Commission has carefully noted the remarks and the criticisms made by the rapporteur, Mr Beumer, as well as those which arose in connection with the opinions from the Committee on Budgets by Mr Louwes and from the Committee on Agriculture, Fisheries and Food by Mr Wettig. In order to set these remarks and criticisms into context, it is necessary to recall the background to this draft directive. The Commission has for a long time sought the abolition of monetary compensatory amounts on the grounds that they are incompatible with the notion of a common Community price structure. Parliament has supported the Commission in this objective. But Parliament has also repeatedly insisted that reductions in positive MCAs should be conditional upon measures being taken to avoid income losses for farmers. Moreover, Parliament in its resolution of 24 May of this year specifically called on the Commission to introduce the measures necessary to enable such a compensation scheme against income loss to operate through the VAT mechanism.

It is somewhat surprising that no reference to this resolution is made by Mr Beumer in his present report. The Commission's views on reductions in positive MCAs and income compensation are clear and were set out in the proposal which led up to the adoption of Regulation 855/84. This proposal and regulation provided for a maximum aid of 3%. When invited by the Council to propose a modification of this regulation to increase the maximum to 5%, the Commission declined. Mr Beumer asks why. We declined because we did not believe that the change was justified. That is the reason and I think it is the best reason.

Nonetheless the Council, deciding by unanimity under Article 93(2), subparagraph 3, of the Treaty, considered that a 5% maximum aid was justified for a limited period. That is what happened therefore. The Commission, faced with this decision, considered that, as with the 3% maximum aid, the 5% transitional aid should also be included in the proposal for the 20th VAT directive.

As regards procedure, Mr Beumer in paragraphs 1 and 2 of his report considers that the Commission should have attacked the Council decision of 30 June 1984 on the grounds that its legal base, involving only

Article 93(2), subparagraph 3, of the Treaty, was inadequate. He argues for the inclusion of references to Article 43(2). The Commission does not share this view, given that Article 43 of the Treaty would have made Articles 92 to 94 applicable. In addition, there are a number of precedents involving Council decisions taken exclusively on Article 93(2), subparagraph 3, which have never in the past given rise to doubts concerning their legal base.

Nonetheless the Commission notes that in the current instance the Court of Justice has had the matter referred to it in Case No 253/84 and will draw the necessary conclusions once the Court has ruled. For the time being the Commission considers that it has fully discharged its Treaty responsibilities and does not consider, contrary to Mr Beumer's suggestion in paragraph 7, that it could have justified the invocation of the provisions of Article 155 of the Treaty to attack the Council decision.

The Commission, moreover, rejects Mr Beumer's suggestion, made in paragraph 8, that the Commission was slow in proposing the 20th VAT Directive. This proposal was submitted by the Commission on 17 July. If the House wishes to criticize any delay, it should not address such criticism to the Commission. Moreover, Parliament should be extremely wary of sharing the view in paragraph 16 of Mr Beumer's report that the VAT system is not an adequate instrument to grant aid. As I mentioned earlier, Parliament on 24 May specifically called on the Commission to take steps to introduce a revenue compensation scheme operating through the VAT system. For Parliament now to argue against such a scheme would be to display the kind of inconsistency which makes it very difficult for the Commission to know what Parliament's real view is.

The Council decision taken one month after Parliament's favourable orientation in May presumably took account of that positive attitude. The Commission would also remind the House that the decisions taken by the Council both at the end of March and at the end of June were not taken in isolation but involved a range of important and related measures. To attack now any one of these measures risks opening up the agreement on all the others. Thus the Commission in the proposal now before the House has limited itself to technical modifications necessary to accommodate decisions already taken in the framework of the Community's harmonized legislation concerning VAT. The proposal is aimed in particular at preserving the fiscal neutrality of value-added tax. The separation of the aid and the fiscal element provided in the proposal allows clear identification of the aid and the correct calculation of the own resource base. In addition, accurate knowledge of the amount of aid paid will allow the Commission to exercise precise control over its volume, to measure it against the impact of reductions in positive MCAs on incomes and to propose appropriate action.

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The Commission recognizes that the German legislation which entered into force on 1 July this year is not in conformity with the provisions set out in the proposal now before the House. The Commission is nonetheless convinced that the German authorities will bring their legislation into line with the directive once it has been adopted by the Council. As regards the period from 1 July until the entry into force of this new legislation, which should certainly be 1 January next year, the Commission will certainly introduce infringement proceedings if the German authorities do not provide adequate data for the establishment of own resources in 1984.

The Commission does understand some of the anxiety expressed in Mr Beumer's report, in particular in paragraph 9 which reflects the fear that the aid could, instead of providing a desirable safety net for German farmers, introduce distortion. For this reason the Commission is prepared to modify its proposal by incorporating a provision for data to be supplied by the German authorities which would enable the Commission to prepare periodic reports on the system, reports on the basis of which the Commission would submit proposals for modification of the scheme if and when necessary.

For the reasons that I have given and in the light of the changes which the Commission is prepared to make, the Commission does not think that the Community's interest would be served by withdrawal of this proposal. We therefore urge the House to adopt an opinion now. I regret that I have had to speak at such length, but these are very important matters and, as Mr Beumer on the 20th VAT Directive was making a number of substantial points which I know are deeply felt, I thought it right to explain in some detail why the Commission has acted as it has.

Mr Rogalla (S), rapporteur. — (DE) Mr President, for the sake of clarification I would like to put three further questions to the Vice-President of the Commission.

Can I assume that when he spoke of his 'disappointment' with my report, while describing Mrs van Rooy's report as an 'admirable report', he did not mean to make a value judgment about my report?

Is the Vice-President aware that the Commission, as it informs us in its proposal, itself proposed in 1973 in the 6th Directive, and again in 1981 in its programme to simplify the procedures in the field of turnover tax, the same as the Committee on Economic and Monetary Affairs and Industrial Policy is now proposing for — and I repeat — not goods but used goods? Given that the Community has now come closer to its citizens, given the various initiatives by the Heads of State and Government, surely it is now time for the Commission to return, with the support of the European Parliament, to these two initiatives it made in the

past and which unfortunately came to nought? Is the Vice-President prepared to consider this?

Does the Vice-President agree with me that the only difference between the 16th and the 17th Directives is that the latter relates to goods which are subject to VAT and therefore commercial, while the former relates only to private individuals and used goods? Surely those are important distinctions!

Mr Woltjer (S). — (NL) In the name of the Socialist Group I should like to speak in particular about the Beumer report, dealing with the aspects arising from compensation through the VAT directive for the dismantling of the MCAs. Our group gladly subscribes to the report.

Since this matter was first set in motion I have keenly opposed it here in the name of my group. I have always agitated against this measure. I have always repeated that by giving compensation to the farmers by means of this VAT directive, and then in doing it too in such a way as has now occurred, we are in fact engaged in dismantling Community agriculture. Then it is clear too that the Commission, in answering the report just now, is not going into the essential questions. The essential underlying questions went much further than what the Commission is now putting forward as its defence. In fact the Commission is saying: 'Honourable Member of Parliament, you have given an opinion about this dismantling of MACs and you stated in the report by Mr March on the subject that possible compensation by means of VAT might be a possibility of easing that dismantling to some extent.'

But what is at stake, Mr President? There is more than just that compensation involved. Two things are involved which lie clearly outside the sphere of compensation. First of all there is the fact that in the Council itself it has been decided that the 3% is to be raised to 5%, in other words, that over-compensation is to be paid here. Secondly, that the date of commencement, which was clearly laid down, has also been advanced, since the first compensation for dismantling of the MCAs had already been provided by an increase in prices. You are aware of that, and that is why I say that the Commission is not going into the essential aspects, is not going into the actual problem and finally, simply as a shabby gesture — and I repeat, as a shabby gesture, — comes here to say that it would actually like to meet Parliament's wishes to some extent where possible distortion of competition may occur, but in the form of an investigation, so that it may keep its finger on the pulse.

But, Mr President, when the damage is done and when that distortion of competition has occurred, it is much too late to take action. We must be in advance with this matter and take action exactly at the time at which a case of distortion of competition threatens. I think that is essential, and we — the Commission and

Woltjer

Parliament — must be on the watch for it. Much too often, and I repeat, much too often, measures are adopted in the Member States in expectation of criticism from the Commission. The matter must first be assessed on its merits and on its worth and on the basis of the Treaty before a Member State can try it out. For if we go to work in this way, whenever the damage has been done, by setting to afterwards and setting the procedure in motion, we shall normally be acting after the event and a European Commission will certainly not want to do that.

Mr President, I should like to make a few further remarks. One of them is that in view of the way in which the Commission has tackled this matter, including the procedure, it is deserving of all censure. And I repeat that quite emphatically. We know very well what the procedure was, we know that the Commission first turned the matter down. Before the elections a request came; only after the elections was there an answer and the Commission itself expressly reacted with great hesitation. And on that point, by hesitating in that way, the Commission made great blunders. We were not — and we are not — as a Socialist Group against support for the farmers, I repeat that here in this Parliament. We are simply in favour of other methods, and in any case we do not wish the support to be given in a way which distorts competition.

Mr von Wogau (PPE). — *(DE)* Mr President, I shall try to speak to the Rogalla report and also make a few comments on the Beumer report. My group will endorse the Rogalla report in full. This report is concerned with means of avoiding double VAT taxation in the European Community and drawing the necessary conclusions from a European Court of Justice judgment. We feel that such double taxation should be abolished, but we also all believe that the way in which the Commission wants to resolve this is so complicated and bureaucratic that no reasonable citizen of the European Community could deal with it by himself. The Commission should, therefore, withdraw its proposal and think up something new and simpler. That is why my group will fully endorse Mr Rogalla's report.

Now we come to the Beumer report. Here we really are faced with grave political problems. If Parliament wants to keep its self-respect, it simply must find that the Community rules have not been observed in the case under consideration, and Parliament was not consulted and could not therefore deliver an opinion. That is my first point. If we do not have enough self-respect to insist on this, we might as well go home.

Secondly, the chosen procedure is not the appropriate one. That is largely a legal question, but I think we must insist on it because it is becoming more and more common for the European Council to take an increasing number of detailed decisions. Again and again we find that the European Council, overestimating its own technical expertise, takes decisions we only read

about in the next day's papers, and that perhaps the expertise was not so great after all, or that decisions are taken hastily and then found not to satisfy a whole range of criteria and therefore have to be revoked again. Parliament must take a stand on this and oppose the mistaken tendency on the part of the European Council to take an increasing number of independent decisions. That is why I think we must give one hundred percent support to everything the Beumer report says on this subject.

On the other hand, of course, we are aware that there are problems of German agriculture that need solving and that the social problems with which we are all familiar do indeed exist in German agriculture. For we all have farmers in our constituencies and have discussed this matter. There is the problem of milk quotas, and we know the trouble they cause to the farms concerned; we know that the frontier compensation has been abolished and we are aware of the ensuing income losses. I take the view that in this case the Commission and Parliament must seek a sensible solution jointly. That is why Parliament should reject this Commission proposal and then seek a sensible solution acceptable to all concerned on a new basis.

IN THE CHAIR: LADY ELLES

Vice-President

Mr Patterson (ED). — We have three VAT directives in front of us and, like the Commission, I do not want to say very much on the 17th, except perhaps to welcome it. It will make life easier for people, for example, who have to take travelling exhibitions about. But I do echo the rapporteur in asking whether Article 3 of that directive is really necessary.

I would like to ask the Commissioner whether he thinks that Article 3 defeats the objective of the directive if people have to put down cash deposits before they can take these goods into the country and get them out again. Is that not really superfluous? Apart from that, we will support the report and the directive.

The other two directives have one thing in common in that we are inclined to vote against them. I shall say little about the Rogalla report and the 16th Directive, because my colleague, Miss Oppenheim, will speak in a moment. The aims are extremely laudable: to avoid double taxation and to clarify the law. But two English phrases spring to mind when I read them: to throw out the baby with the bath water and to cure the cold but kill the patient. All I need to do is to read out the views of my own government, which, I have no doubt, the Commissioner knows. The United Kingdom considers that, if adopted in its present form, the proposal would prove to be unnecessarily cumbersome and bur-

Patterson

cauratic, creating problems both for persons wishing to use it and for customs and excise in its administration. This is hardly progress; it is a retrogressive step. You can see what I mean if you look at the form which the Commission has included on the back and the notes that go with it. The only good thing about it is the rather ironical words *bon voyage* which I see on the previous page. So we shall vote for the Rogalla report.

When we come to the Beumer report, I must say that I found the Commission's arguments very plausible, although the situation, as outlined in the Beumer report, is quite unbelievable. My group is in favour of abolishing MCAs like everybody else and reluctantly we admit the need, perhaps, for compensatory aids, although I do have to point out that German farmers are not the only ones who suffered a loss in income over the last few years.

The Commissioner referred to previous resolutions adopted by Parliament — perhaps I ought to reiterate them because they are quoted in the Beumer report — to the effect that any aid given should exceed the fall in income resulting from the MCA abolition, but that they should be degressive and should not be permanent. Those are the three criteria which are outlined very clearly in the Beumer report, and the actual situation is very different indeed, is it not? As I understand it, first of all, the German farmers have actually been getting their aid through the VAT system from 1 July 1984, whereas the loss of income from MCAs does not occur until 1 January. Is it true then that so far they have been getting double their money?

Secondly, what about the point made in the Beumer report that the aid is granted on all incomes, whereas the loss of income from MCAs only refers to some products. I believe Mr Beumer pointed out that in some cases the MCAs have actually been a benefit.

But much the most serious matter, of course, is the procedure that has been used. I think that here the Commissioner must agree with us that the way in which the Council and the European Council have acted is really quite unacceptable. Apart from anything else, using the VAT system is a step backwards, and I would like further assurances from the Commissioner that the Germans will keep the VAT payments and aids entirely separate. As I understand it, under current legislation this is not the case. The legal base is suspect, as Mr Beumer's report points out. There was no original Commission proposal and there was no original consultation with Parliament, and what we now have in the 20th Directive would be considered in the United Kingdom retrospective legislation, which is highly suspect in itself. For those reasons my group is inclined, at the moment, to support the Beumer report and to reject the 20th Directive.

Mr Pasty (RDE). — (FR) For our Group this question of providing aid to German farmers through the

medium of VAT is a very serious one. Twice in 1984 the Council has really twisted Community rules, both as regards the procedure followed and the substance. The use of Article 93(2) is a genuine circumvention of procedure which allowed the Council to bypass the other Community institutions, notably the Commission, which did not make any proposal, as the European Council had invited it to do, and Parliament, which was not consulted and whose rights have once again been flouted.

By acting in this way the Council undoubtedly wished to avoid a somewhat embarrassing debate in Parliament on the consequences of this measure for the common agricultural policy, the harmonization of rules on VAT in the Community and own resources in the Community budget. We find this circumvention of procedure unacceptable. As for the substance, it is claimed that this is to remedy the distortion of competition created by monetary compensatory amounts, whilst at the same time it creates an even graver one because it is not limited in time; the remedy is in fact worse than the disease.

If compensation ought to be allowed for the benefit of German farmers, I should like to point out that compensation could also legitimately have been provided for the benefit of farmers whose incomes have been singularly affected by the continuing existence of negative compensatory amounts, as is the case with farmers in my country.

If compensation had to be provided, it should comply with the three rules laid down by Parliament in 1984.

Rule number one: the compensation should not be greater than the benefit provided by the positive monetary compensatory amounts being abolished. This rule seems self-evident.

The second rule imposed by Parliament: such compensation is to be limited in time.

And rule number three: it is to be degressive until it disappears. Monetary compensatory amounts, which are accidental and are not therefore permanent elements but are, on the contrary, distortions of the Community, should not be replaced by something which unfortunately, as we can see from this 3%, is itself likely to become permanent.

The Council Decision of 30 June 1984 clearly ignores these three rules. We have no guarantee that the aid which it introduces is not higher than the dismantled compensatory amounts. We even have good reason to believe that the aid is higher, because, as some speakers have said, it applies to all products, even those for which there were no compensatory amounts.

I should also like to point out that for six months, from 1 July to 31 December of this year, the two

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forms of aid were superimposed. There were both refund of VAT and the five points of VAT refunded.

Moreover, the introduction of this aid is based on an erroneous analysis of the causes of the reduction in German farmers' incomes. The reduction in German farmers' incomes is not due to the abolition of positive MCAs, since it appeared in the statistics even before the dismantling of the compensatory amounts, which will not be until 1 January 1985. The reduction in German farmers' incomes is due to inadequate revaluation of agricultural prices in the last two years.

On the contrary, positive MCAs — I should like to emphasise this point — favoured exports and the competitive positions of the countries which received them, to the detriment of some countries, such as France and Italy.

What is the proposal being made to us today? The Commission is introducing a directive with the object of adapting Community regulations to make them compatible with the aid which the Council decided in favour of German farmers, whereas, quite obviously, it was the reverse which should have been done, or at the very least Community regulations should have been amended first and not *a posteriori*. It could be said that Parliament was somewhat provoked by this action.

That is why our Group will have no hesitation in voting in favour of the Beumer report, which is excellent and contains all the criticisms which could be made about this lamentable affair.

Mr de Camaret (DR). — (FR) It cannot be said often enough, economic prosperity is a function of business prosperity. From this stems all wealth, all income and all means of action, whether economic or social. There can be no fight against unemployment without business prosperity.

Certainly some Member States have recently begun to correct the mistakes of the past ten years by stabilizing the business environment and strengthening competitiveness. They were also among the first to return to a degree of economic growth. But there is still a long, an immensely long, way to go. The structure of the European economy must be adapted to the trend of international competition, so that it becomes possible to limit public interventionism.

The excessive amount of compulsory taxation in the Community, which continues to increase and now represents about half the European GDP, i.e. 50% more than the rates applied in the United States and Japan, is the main reason for the loss of dynamism in the European economy, in our economy. This record taxation also has the effect of weakening investment and creates dramatic losses of employment, not to mention the bureaucratization of our economic and social system.

Europe must reverse this trend. Enterprise must be liberated and made profitable once more so as to restore business confidence and to inspire the spirit of enterprise in the wide majority. Two measures seem to us to be necessary for this revitalization.

The first aims to promote the reconstitution of private capital, which is the only way to encourage investment and can be achieved by means of provisions on accelerated writing down of assets, by tax incentives, by revaluation of stock and by directing new saving towards the financing of investment.

The second measure concerns the flexibility which is necessary in all factors affecting the labour market. In this context we can cite, firstly, increased use of remuneration linked to performance, instead of automatic uniform salary increases; secondly, a relaxation of the rules governing recruitment and dismissal; thirdly, a re-examination of methods of financing the social security system; fourthly, and lastly, adjustment of working hours to permit optimum use of plant and machinery.

This list is certainly not exhaustive, but if measures like these are not taken to foster enterprise, there will be fewer enterprises in Europe tomorrow and consequently increased unemployment.

Mr Ducarme (L). — (FR) First of all let me say that we are in no way contesting the fact that special measures are being taken with regard to German farmers to the extent that the alteration in the green rate has resulted for those farmers in a 5% reduction in agricultural prices. But questions should perhaps be asked about certain methods and procedures.

Firstly, it seems to us that the use of the VAT system as compensation for loss of revenue is contrary to everything the Community has done so far and, at the end of the day, is an attack on rules which derive very directly from the Treaties.

Secondly, it must be said that the decision taken by the Council, without Parliament's giving an opinion, is a somewhat dubious procedure. Would it not have been more opportune to have envisaged some other procedure? I think that beyond a certain point one could even talk not about compensation but about gifts to certain branches of European agriculture in the Federal Republic of Germany, inasmuch as the uniformity of this procedure even covers products which are not subject to market organization and means that there are a whole lot of possible deductions directed not towards the products immediately affected but to products which are not covered by common organization of markets as we know it at present.

I should like therefore to put certain questions to the Commission and to ask whether, after harmonization of VAT, it would still be admissible for new forms of

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discrimination to be created. In this context, do you not think that you are in fact creating such discrimination by adopting measures like those we are debating today?

Secondly, such an application of the system would amount to distortion of competition. What does the Commission think about this aspect of the affair?

Third remark — and this is not the case so far — ought not the dates of the dismantling of the monetary compensatory amounts and of the start of compensation to be identical? The least that might be asked, it would seem, is that the two operations should be carried out at the same time.

Finally — this is a question which I hope the Commission will answer very precisely, yes or no, in view of the importance of this decision — should not Parliament have been consulted beforehand? I thank the Commission for its reply to these questions, if possible with a yes or no, and I feel that the Commissioner who is to reply is a man who is able to answer Parliament in this way.

(Applause)

Mr Gautier (S). — *(DE)* Madam President, ladies and gentlemen, first I would like to express my general support for the excellent report by Mr Beumer and the statements by Mr Woltjer, Mr Wettig and Mr von Wogau.

May I add a few words on some points. When the Commission says that on 24 May Parliament voted in favour of applying the VAT mechanism, surely it must realise that this vote took place without proper discussion in committee or the Chamber, in an urgent debate at 12 noon on the basis of a short amendment by Mr Bocklet, which was adopted by 20 in favour to 19 against. After thorough consideration in the Committee for Economic and Monetary Affairs and Industrial Policy and in the Committee on Budgets, we have come to the conclusion that this Commission proposal is neither compatible with Community law nor reasonable in terms of agricultural policy.

Mr Tugendhat, when you say that under Article 93(2) the Commission can be outvoted by the Council on the question of national aids, that is surely correct. The Council can decide to place a large pot full of hundred-Mark notes in the Federal Republic of Germany which every farmer can dip into. But the Council may not decide that the Federal Republic is violating existing Community law which was passed pursuant to Articles 99 and 100 of the EEC Treaty. EEC law, in fact the 6th Directive on VAT, is quite clear on this matter, and you yourself admit that the flat-rate tax prepayment in Germany violates the 6th VAT Directive by now proposing to Parliament that it legalize this practice after the event.

My third point relates to the following. Article 25(3) of the 6th VAT Directive is also designed to prevent fraudulent practices by flat-rate farmers, and we know what such frauds mean for the Community's image. What is happening now? Raising the flat-rate tax prepayment in Germany from 8% to 13% will surely give rise once again to the mobile feedingstuff units: farmers officially sell their cereals on the farm to a travelling salesman for feedingstuffs, who grinds it once in his mill and then sells it back to the farmer as animal feedingstuff; this gives the farmer an extra 5% for his own cereals, consumed on his own farm. What happens here surely cannot be kept secret. People will start saying again: this Community is so dumb that it has learned nothing from its slaughtering premiums for cows and all the rest. Now it is legalizing a system that actually invites lying and fraud, as the Bundestag also found in its hearing of the Finance Committee.

Fourthly, we have not voted in favour. The SPD voted against, and I am speaking expressly for the entire SPD in saying that as before we are against this whole system. We voted against it in the Bundestag and we will continue to vote against it.

The last point I want to turn to is the distribution effect also referred to by previous speakers. This distribution effect is disastrous and conflicts totally with the concept of financial compensation. If the Commission is not willing to withdraw its proposal for a 20th VAT Directive, then Parliament will simply have to consult its Legal Affairs Committee and try to obtain another Isoglucose judgment.

Mr Brok (PPE). — *(DE)* Madam President, could you perhaps ask Mr Gautier to get his Labour colleague to stay awake one more time in this Chamber?

Mr Gautier (S). — *(DE)* I shall do my best, but I am not sure whether that is always to the advantage of the group as a whole.

(Laughter)

President. — I thank Mr Brok for pointing this out, but I do not think this is a unique occasion in this House.

Mr Bocklet (PPE). — *(DE)* Madam President, ladies and gentlemen, the Commission proposal to the Council for a 20th Directive on the harmonization of the laws of the Member States relating to VAT is more than a merely technical question. Basically it concerns the Community's ability to show solidarity with a Member State which finds itself in difficulties because of this Community. The cause for these difficulties lies not with the German farmers but with the continuing inability of the Member States of the European Community to achieve a common economic and

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monetary policy. That means that a fundamental principle of the common agricultural policy, namely, market and price uniformity, has been infringed up to the present day.

(Applause)

The different economic policies pursued by the Community Member States have again and again led the monetary parties to drift apart. Market and price uniformity could be preserved only by the fictional instrument of monetary compensatory amounts. These MCAs, which have appeared with each of the many changes in exchange rates, were not added up, however; since their introduction at the beginning of the 1970s they have been dismantled at the annual agricultural price rounds without any compensation at all.

But while for the farmers in countries with negative MCAs dismantlement often meant a real agricultural price rise, even before the general price-raising decision taken in the wake of the various agricultural price rounds, the dismantlement of the positive MCAs had the unfortunate result for German farmers of generally leaving their agricultural price rises far behind those of most of the other Member States, because they were reduced by the dismantling of the MCAs.

As a result of this trend, German farmers now have the second lowest incomes in the Community, barely equal to 40% of the incomes of farmers in similarly developed countries such as the Netherlands, Belgium and Denmark. These are figures provided by the Commission. In the 1983/1984 marketing year German farmers had to accept an income fall of 22%. One quarter of farms already had family incomes on the verge of subsistence level in the previous marketing year. In fact German farmers have paid part of the price of the inflation in other Member States.

In spite of this disastrous situation, the Federal Republic of Germany declared itself willing, at the open urging of the other Member States and to enable a price decision to be taken in good time, rapidly to dismantle the positive German MCAs, which make up a total of eight points, over a nine-month period, in spring this year, which will naturally lead to further substantial losses for German agriculture.

In view of these facts, is it too much for the Germans to ask the Community to show a little solidarity and to allow them aid financed from their national resources? I do think so, especially since in its resolution on the fixing of agricultural prices for 1984/1985 Parliament stated that the dismantlement of the positive MCAs must not adversely affect the incomes of the farmers concerned. But at first the Commission hesitated to comply with the German request and then finally refused entirely when it became apparent that an aid in the form of raising the flat-rate tax prepayment by 3% on 1 January 1985 or 1 September 1984 would not suffice. The Commission's lack of solidarity — I might

even say anti-Community attitude — reached its peak in Autumn when the Commission even refused the price-infringement compensation to which it had agreed in binding terms on 30 March 1984.

What should the Federal Republic of Germany, what should the other Member States have done in this situation if not to take a decision under the third subparagraph of Article 93(2) of the EEC Treaty? Some Members assert that this decision was unjustified because the required exceptional circumstances did not obtain.

We can only reply, to anyone who argues this, that they have totally misunderstood the meaning of that article within the framework of the EEC Treaty. Admittedly, it is regrettable that the European Parliament was shut out by the application of that article, but surely only because the Commission refused! For the rest, it would be foolish for the European Parliament now to call on the Commission to start proceedings against the Federal Republic of Germany for violation of the Treaty under Article 155 of the EEC Treaty, since Germany can invoke valid decision pursuant to Article 93 of the Treaty. So at most it could call on the Community to adapt the 6th VAT Directive to this Council decision.

Let me stress that the aid is not only justified but also satisfies the conditions set by our Committee on Economic and Monetary Affairs and Industrial Policy. It is depressive in nature, since the 5% flat-rate tax prepayment will be reduced to 3% on 1 January 1989, and it is limited in time because under German law the aid will expire on 31 December 1989. Moreover, it is appropriate that the aid should be granted as from 1 July 1984, i.e. 16 months before the beginning of the second phase of the dismantlement of MCAs. On the basis of all past economic experience, we cannot expect that the agricultural products, and especially the harvest, will have been sold at the full price by 31 December 1984, since we all know that from 1 January 1985 the value of the goods will be reduced by 5% as a result of the dismantlement of the frontier compensation.

Another point is that the aid can be granted for all sectors of agricultural produce. Those who criticize this forget that the 'green' prices are changed before the appearance of the MCAs, i.e. the agricultural prices which apply in all sectors of agricultural produce and therefore relate to all agricultural products are reduced, while only some agricultural products are protected by MCAs. That being the case, is it not justified that all agricultural products should be entitled to the aid and not only those which are privileged by the MCAs?

Let me conclude with an example from the year 1969. At that time the Community also found itself forced to grant German farmers aid to compensate for the disadvantages suffered as a result of the revaluation of

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the DM. At that time the European Parliament, not yet directly elected, gave impressive evidence of its pro-Community attitude by stating explicitly in its resolution of 18 December 1969 that this financial compensation must be granted not only in the interests of the German farmers but also in the interests of the Community, and in particular to prevent the German agricultural market from becoming isolated.

I can only call on Parliament to follow this example and I would appeal for solidarity with a country that has always been prepared to bear its fair share of the burdens of this Community.

(Applause from the centre)

Mrs Oppenheim (ED). — *(DA)* Madam President, I shall simply make a very few comments on the Rogalla report. As mentioned previously by my colleague, Ben Patterson, my group agrees with the report and is able to support the principles stated therein by Mr Rogalla. I should also like to thank the Commission which discussed the matter at length, made a great many comments and also indicated that some important subjects were involved. This report is indeed important. But, on the other hand, one cannot help thinking that the private individuals affected by the report have no idea what formal problems may evidently bedevil such small matters. It is inconceivable that such involved and technical rules should be devised, and all to produce such a small effect. Many people would expect that coexistence in the Community should mean not being saddled with a mass of papers.

The Commission mentioned that the scope had been extended as compared with the Gaston Schul case. That is, of course, gratifying. On the other hand, the position must also be that some rules are devised which everyone can live with. In that respect I agree with Mr Rogalla that there must be a formalization of the principles contained in the judgment, but that must be in a way we can live with. For several Member States, including Denmark, have devised a practice which is, in fact, based on the Gaston Schul judgment. It was not directly necessary to formalize rules — a practice was worked out. We therefore firmly believe that if there is to be formalization and if rules are to be drawn up, they must on no account be more oppressive than the practice already existing.

Mr Fitzgerald (RDE). — Madam President, I too am glad to have the opportunity this afternoon to comment on the harmonization of tax laws generally, to hear the comments from the Commission, to refer particularly to the Rogalla report and to ask some questions of the Commission.

First, I refer to the Rogalla report. I should like to ask some specific questions relating to my own country and to ask the Commission what views it has to

express, particularly in view of the Gaston Schul case to which reference has been made. At the time of Ireland's entry into the EEC, the Irish car assembly industry was given a period of 12 years during which certain duties were allowed in order to protect the employment content of that industry. The 12 years are now about to expire on 31 December. One would have expected that in the area of duty or tax on car imports to Ireland a certain amount of harmonization would have been achieved or be capable of realization as from 1 January 1985. In the light of recent announcements this does not appear to be the case. In any case, the protection given to the car assembly industry did not, as had been hoped, protect the jobs of the workers in that industry, and only a small number of jobs now remain. A major closure of the Ford Motor Corporation in my own city was the last cruel blow to that industry.

I should like the Commission to comment on the new arrangements, as they are very relevant in the whole area of harmonization. Whereas an excise duty exists up to 31 December which is applied on a price-to-the-dealer basis, I understand that as from 1 January that will apply to the retail price. This measure is designed to maintain revenue, not to open up or allow free access to the European markets for Irish motorists. I find it difficult to understand how this can be acceptable at this stage and how the Commission can stand over such a deharmonization, as it were, of what would appear to be harmonization of Community taxation.

What we have here is the maintenance of a level of revenue rather than opening up access to markets. We are all talking about a greater opening of frontiers, creating a more accessible Europe. Surely then this type of approach at this time deserves comment by the Commission.

The second aspect of the matter is — and this why I referred to the Gaston Schul case earlier — the import of these secondhand motor vehicles. I understand that, although the official order has not yet been made, a system has been devised whereby in the first year 85% of the new duty will be paid, in the third year 50% and so on, falling on a sliding scale to a certain figure. I should like the Commissioner to explain how this system can be allowed. As I said, it was originally introduced to protect jobs in the car assembly industry. Now it is doing only one thing, namely, denying the Irish motoring public that access to the normal markets within the Community that all other Member States and all other members of the motoring public are allowed.

Mr Debatisse (PPE). — *(FR)* Ladies and gentlemen, I should just like to add a few remarks in this debate.

The first, which leads us to support the rapporteur's motion, is linked to legal arguments concerning the

Debatisse

role of Parliament. The second is that the proposed refund on the basis of VAT is being operated six months before the beginning of the dismantling of the compensatory amounts.

The additional reason for our supporting the rapporteur's remarks is that if there is dismantling of the compensatory amounts, so that compensation has to be made, the form that compensation takes must be such that the compensatory amounts primarily affect intracommunity trade and not products within any one country. The compensation, even for any one product, is, I would say, therefore far in excess of the loss of revenue suffered. The additional reason is that the compensation for the disappearance of MCAs covers all agricultural production.

Madam President, for all these reasons we are unable to support the Council's proposal because it indicates recognition, as far as the German Government is concerned, of the fact that prices are insufficient to provide a proper income for German farmers. Compensation is therefore being given to make up for a significant reduction in the incomes of German farmers.

But if this is the case in a country with a strong currency, how much more so is it in other countries with a weak currency? It is for this additional reason that we ask the Commission or the Council to propose compensation for farmers in other countries. In effect, at this point, real distortion of competition will be introduced as between German farmers and farmers in other countries. Moreover, the compensation is not limited to one year but extends over a long period.

In conclusion, I should like to say that to support the Council's proposal is to attack the very foundations of the common agricultural policy.

(Applause from the centre and the right)

Mr Tugendhat, Vice-President of the Commission. —

Madam President, a great many questions have been put to the Commission during the course of this debate. I do not think I shall be able to reply fully to each of them, but I think perhaps it would be for the convenience of the House if I try to reply, in part at any rate, to some of them.

I start with Mr Rogalla because he opened the debate. He asked why the Commission was pleased with one report and not with the other. The impression I meant to give was that the Commission is pleased when it is able to agree with Parliament, as it is in the case of Mrs Van Rooy, and sorry when it is not able to agree with Parliament, as in the case of Mr Rogalla himself. I would also emphasize that, so far as the simplification of procedures is concerned, we do not believe that there is any inconsistency between the position we are taking now and the position taken by the Commission in earlier policy statements. Indeed, I drew attention

during the course of my rather lengthy speech to the consistencies which I believe exist.

Mr Patterson made a reference to the 16th Directive when he talked about cash deposits and asked why we thought they were needed. We think that they are needed because otherwise there would be a risk of fraud, which I have not the least doubt Mr Patterson and other Members of the House are just as anxious to avoid as we are. That is why we think there is a need for the compensation.

He also made a point about German farmers and their relative prosperity. This is a point which was taken up by a number of other speakers as well. Here, I can do no better than to refer Members of the House to the speech given by Mr Bocklet. Mr Bocklet is, in our view, correct. The German farmers are not well off by comparison with farmers in some other parts of the Community. Indeed, among all but the least prosperous, the German farmers come rather towards the bottom of the list. That is the answer I would give.

I am delighted to receive support from Mr Früh and his friends. I do not always receive support from that quarter, but perhaps it is a parting present.

(Laughter)

Mr Woltjer also raised a question, and I must answer him by saying that I do not believe that the Commission has in any way failed to discharge its responsibilities. Parliament accepts the need for compensation. It is a fine judgment as to whether one figure is more appropriate than another. What is clear — and I do emphasize this — is that the Council unanimously agreed that 5% was right for a limited period, and I drew attention to the article of the Treaty and so forth which enables the Council to act on that basis. One may or may not like what the Council does (indeed, one may or may not like what Parliament does), but when institutions act within their Treaty rights I think one has to accept that fact.

Mr de Camaret raised a number of points linking, as far as I could understand, though I may be wrong, the economic burden of MCAs and working time adjustments and a number of other issues. His thesis appeared to be very broadly based and to go way beyond the scope of this debate. Mr Ducarme also raised some questions. On the problem of competition due to differences between green and market rates, the Commission acknowledges this and has tried to take full account of it in its proposals. Our draft 20th directive, the harmonized VAT system, is protected through the separation of this aid from the VAT element.

Mr Gautier — who was kind enough to apologize to me for the fact that he would not be able to be here when I answered, and I appreciate that — talked about the need to protect the tax system. In our view,

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the Commission proposal is designed to provide that protection and fully to safeguard the Community VAT system, including its budgetary role.

Finally, in the terms in which I am answering, Mr Debatisse said that the compensation was excessive and that he couldn't accept the Council decision. The Commission's views, as I have said, are set out in our proposal on the adoption of Regulation 855. I should also like to draw attention to the Commission offer to prepare reports to check and to control the system.

We have been dealing with three directives, and I realize that these questions do raise very serious doubts in the minds of some Members. I have tried to explain as fully as possible the Commission's views and I would ask the House to respond accordingly.

(Applause)

Mr Ducarme (L). — *(FR)* I do not think in fact that the imminent departure of the Commission, in a few days' time, exonerates it from replying to all the questions put by Parliament. In particular, I should like to know why the Commission has refrained from answering the following precise question: why does it permit that there should be a difference between the dates of entry into force of the dismantling of the monetary compensatory amounts and the dates on which the measures of compensation are to be taken? In the case of the MCA the date is 1 January 1985, whereas the measures taken by the Federal Republic of Germany were taken in June this year. This is an important question, and I do not think the Commission can refrain from replying.

Mr Tugendhat, Vice-President of the Commission. — Madam President, I thought I had made the point clear in a number of my answers. This is not a Commission decision. That is the point I mentioned several times. This is a unanimous Council decision and, as I have said before, one may or may not like the results of parliamentary votes or of Council votes but it is a unanimous Council decision. The differences in the dates are, I understand — but perhaps the Council benches would prefer to answer — related to assessments about the consequences of when the price changes are made. Madam President, the Commission has enough troubles without taking responsibility for the Council's decisions.

President. — Mr Fitzgerald, do you have a point of order or is it a question you wish to put to the Commission?

Mr Fitzgerald (RDE). — Madam President, I think it is a mixture of both. As a point of order I would ask the Commissioner why he did not reply to the ques-

tions I put to him and which I thought were relevant to the Rogalla report.

President. — I think, Mr Fitzgerald, that the Commissioner did make every effort to answer most of the questions and said he would not be able to answer them all. Possibly the Commissioner would like to comment himself.

Mr Tugendhat, Vice-President of the Commission. — Madam President, I must confess to Mr Fitzgerald that both my advisers and myself were not clear as to the connection between the questions which he asked and the Community regime. It appeared to us — we may be wrong and if he writes to the Commission, though I shall not be there, my successor will be able to deal with it — that the questions were directed much more to the Irish taxation system than to the Community one. Neither I nor my advisers could see how we could answer him in the way that I sought to answer other speakers in the debate. If he wishes to write to me, this particular area of my responsibilities will be taken over by my compatriot, Lord Cockfield, and I am sure that he will provide an answer to Mr Fitzgerald.

Mr Ducarme (L). — *(FR)* Madame President, the Commissioner has just thrown the ball back into the Council's court. But I see that the Council is not present; it cannot therefore pick up the ball which the Commission has thrown. I should like to address myself to either the Commission or the Council — if the latter could rejoin us — and to know whether they do not have the feeling that in this context Article 155 of the Treaty must be applied in the sense that, as regards the harmonization of VAT, there has not on this occasion been negligence on the part of the Commission.

I am waiting for the Commissioner's reply, or a written reply to the question I have just put, as I see that Council officials at least have the decency to be here.

President. — I think, Mr Ducarme, that the Commissioner made it very clear in his answer that the question you put to him was for the Council to answer and not the Commission. Since we do not have the good fortune to have a representative of the Council here, I think that the Commissioner cannot be expected to answer on behalf of another institution. I would therefore suggest — and I think that it is something that this Parliament should be taking up — that wherever possible, when we have this kind of debate and an answer is needed of the Council, that a request is put to the Council to have somebody present who can answer questions from Members. Since there is nobody here today to represent the Council, I hope very much that Members will take this up, write to the Council and say they would like an answer on this

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particular point. But really, Mr Ducarme, I cannot allow any more questions to the Commissioner on that particular point because he made it perfectly clear in good faith that it is not for him to answer that particular question. I will not therefore allow another question of that particular nature to be put.

Mr Beumer (PPE), rapporteur. — (NL) Madam President, may I as rapporteur make a further remark about the addition which the Commission has announced as regards the 20th directive. I should like to say this: it has now appeared that the Commission proposal deviates to some extent from the existing German legislation, and not without reason, since from the German side it is contended that the possibilities of implementation through the VAT system, as the Commission records them, are difficult to effect. It seems to me therefore no more than normal that the Commission should come up with proposals. I think it is natural, so I do not regard it as a concession, it is a normal means of supervision which the Commission moreover ought to carry out. Thus, as regards this point, I regard it not as a concession but as a necessary addition.

Mr Tugendhat, Vice-President of the Commission. — Madam President, Mr Beumer said that our proposals deviated from the German legislation. With the greatest respect to the Federal Republic, I would like to put it the other way about and say that the German legislation deviates from our proposal.

Now, at the moment, of course, we do not have a Community directive and there will not be one — because the Council cannot act — until Parliament has given its opinion. I trust that once Parliament has given its opinion and we therefore have Community legislation, the German authorities will bring their legislation into line with the Community's. If they do not, then we shall have to take those steps that are open to us to seek to persuade them to do so. But they are very law-abiding people, the Germans.

President. — The debate is closed.

The vote will be taken at the next voting time.¹

7. ECSC operating budget 1985

President. — The next item is the report (Doc. 2-1143/84) by Mrs Hoff, on behalf of the Committee on Budgets, on the fixing of the ECSC levy rate and on the drawing up of the ECSC operating budget for 1985 (Doc. 2-467/84 — COM(84) 419 final).

Mrs Hoff (S), rapporteur. — (DE) Madam President, ladies and gentlemen, this afternoon we rejected the 1985 Community budget; now we have to debate another draft budget, the European Coal and Steel Community's operating budget for 1985. Parliament must take a decision on the fixing of the levy rate, a levy on coal and steel products that currently stands at 0.31%. That is an important, although now no longer the only source of finance for the ECSC operating budget. The Commission, which acts as the High Authority in this case and therefore has both legislative and executive powers, has estimated that this levy will produce 147 million ECU in 1985. The total volume of the ECSC operating budget is 359.5 million ECU. That includes 62.5 million ECU for social measures, which are financed from the Community budget, and a further 60 million ECU, which are also transferred from that budget.

But these 359.5 million ECU in the operating budget form only a small part of the ECSC appropriations with which the Commission is concerned, since very substantial lending and borrowing operations are carried out which then appear in the ECSC operating budget. At present the loans account for about 6 500 million ECU, and since the birth of the Coal and Steel Union a total of 11 000 million ECU has been borrowed and passed on in the form of loans. On the basis of these appropriations the Commission has managed very efficiently to influence the development of the coal and steel industry in the Community. When these debates came up in the past, Parliament asked every year — and I shall do so again openly for the Committee on Budgets — for this investment budget, which contains the loans and borrowings, to be included in the budget, so that in future Parliament will have some control over these movements.

This year, during its discussions on the operating budget and the levy rate, the Committee on Budgets examined the ECSC liquidity situation, on the basis of investigations by the Court of Auditors. It reached the conclusion that this draft could not be accepted as it stands if it were simply a question of deciding on the adoption or rejection of the operating budget. In its present form it should not even be regarded as a draft budget, for the following reasons. The chapters of the operating budget merely contain declarations of intent and no payment authorizations as shown in the Community budget. Yet these declarations of intent are treated as though they covered the revenue of the operating budget, such as levy proceeds, transfers of appropriations from the Community budget, interest earnings, interest received. But these declarations of intent do not even correspond to the commitment authorizations in the Community budget.

Moreover, we found in the Committee on Budgets that the Commission has earmarked liquid resources from revenue even if the projects concerned are still only at the planning stage, and there are not even any regulations or legal bases for them. So we call on the

¹ Mr O'Keeffe's written answer to the Oral Question (0-70/84) with debate by Mr de la Malène is annexed.

Hoff

Commission to draw up a genuine draft budget — that is not a new request either, we have always made it in debates on this budget — with payment and commitment authorizations. Only then can we speak of a draft budget. Then the procedure for drawing it up could be compared to that for the Community budget. As I said, Parliament has been calling for this for ages. However, the Commission is very reluctant to comply.

If this kind of budgetary procedure were adopted one day, it would, of course, also entail a change in the accounting and balance-sheet procedures and would automatically release appropriations which would make it possible to expand the ECSC's activities. This, I emphasize, is desirable in order to continue to consolidate the coal and steel industry in the Community.

In this context, let me again point out that at present about one-third of the activities under the operating budget have to be financed from the Community budget. Additional appropriations could be released by a review of appropriations that were earmarked in the past for projects which will clearly no longer be executed. For the above reasons I therefore also support the amendment tabled by various groups which proposes checking next year whether, in view of these facts, the levy rate could perhaps be reduced. We do not propose to do so this year.

By calling for a reduction of the excessive liquidity reserves we are not trying to damage the reputation the ECSC enjoys as borrower throughout the world. Nor do we in any way want to undermine the healthy financial foundations of the ECSC. Yet we do think, and we have noted the relevant facts in our resolution, that the Commission is overly concerned with liquidity, even for a conservative bank. I consider it my duty to point this out, so that, in the stringent budget situation the Community and the Member States find themselves in, appropriations do not lie idle unnecessarily and are not invested purely to obtain interest but are used for urgent tasks connected with the restructuring of the coal and steel industry and for research.

I have heard that the Court of Auditors' audit report on the ECSC budget for 1983 was adopted today. It will no doubt be possible to pick up further ideas from that report, in addition to what I have said. To conclude, may I ask on behalf of the Committee on Budgets that the levy rate of 0.31% be maintained for this year and propose that you vote in favour of this resolution of the Committee on Budgets.

Mr McMillan-Scott (ED). — Madam President, I rise to make my maiden speech in this Chamber.

I support Amendment No 1, tabled in various names, which calls for the reduction of the levy rate to help both the coal and the steel industries. I rise in particular in this discussion because I happen to represent the constituency which covers the Selby Coalfield, the

Drax B Power Station and the Scunthorpe Steel Works, each of which has had very considerable funding from the Community, and in particular to make a reference here to the very long hard summer which the Scunthorpe community has had as a result of the national coal strike in the United Kingdom. The town has in fact been blockaded throughout the summer by striking miners and, despite that, has struggled on. I would therefore like to ask those responsible to give whatever help they can to that town, which has not only had to struggle against the miners but also, in years past, against the restructuring of the steel industry.

(Applause from the European Democratic benches)

President. — Mr McMillan-Scott, may I, on behalf of the House, congratulate you on your maiden speech, even though it was very brief.

Mr Tugendhat, Vice-President of the Commission. — Madam President, you have already congratulated Mr McMillan-Scott on his maiden speech but, as you know, there is an elegant custom in the House of Commons whereby the subsequent speaker congratulates the maiden speaker who speaks immediately before him. It gives me a double pleasure to thank Mr McMillan-Scott, both because of the clarity and brevity of his speech and also because his first speech coincides with my last one and, therefore, there is perhaps a certain symmetry in our exchanges.

Madam President, as Mrs Hoff said earlier, this debate on the ECSC operating budget follows rejection of the general budget. It always follows the debate on the general budget, of course, but it only seems to follow the rejection once every five years. But I hope very much that it will be an easier discussion than the one on the budget itself.

As honourable Members will recall, the Commission, as High Authority of the Coal and Steel Community, bears sole responsibility for deciding on the ECSC levy rate and the operational budget. But under the informal procedure which concludes with this debate we seek in practice, without evading our responsibilities, to enable Parliament to exercise its proper influence. The Commission next week will, therefore, make its final decision in the light of your resolution.

I judge it unnecessary to expand on the Community's policies for the coal and steel sectors. These matters are dealt with in the documents and numerous resolutions of this House, and I am glad to recall that in general Parliament supports what we are seeking to do to help these industries to surmount their present difficulties.

On a narrower budgetary front I have just four points. Firstly, we welcome the fact that in her report Mrs

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Hoff supports the proposal to maintain the rate of levy at 0.31%. Secondly, and in response to a point made in paragraph 4 of the draft resolution. I propose next week to recommend to my colleagues that in its final form the budget should carry a footnote indicating that any additional resources which might become available during 1985 should, if possible, be devoted to financing interest-relief grants or research projects. Thirdly, I would refer to the three points in last year's resolution picked up in paragraph 2 of the motion for a resolution which is now before you. The proposal to 'communitarize' — not a very beautiful word — coal and steel customs duties has been pressed on the Council many times by the present Commission, notably in the context of our proposals on new own resources. The Member States, however, have said no, both to the original proposal to grant this income — perhaps 50 million ECU a year — to the ECSC and to our later proposal to incorporate this revenue in the general budget. It will obviously be for the next Commission to decide whether to press the Council further on this at some future date.

As to the two remaining points regarding the need to coordinate Community instruments in the coal and steel sectors and bring borrowing and lending activities within the budget, the Commission has, I believe, already gone as far as it is possible to go. The coordination is part and parcel of the day-to-day work of all staff who deal with ECSC matters. And I do not see how we can do more than the presentation on borrowing and lending on pages 21 to 23 of the *aide-memoire* if the handling of these matters is to remain compatible, as Parliament has recognized that it should, with the existing Treaties.

Lastly, Madam President, I am bound to comment on the new element in Mrs Hoff's report where she picks up at some length a brief criticism of the high liquidity of the Coal and Steel Community made by the Court of Auditors in its opinion on our proposal regarding supplementary finance for the 1984 general budget.

It seems to me that in placing before the House a draft resolution which invites it to draw conclusions on this subject, and recommends a course of action for the future, the Committee on Budgets is placing Parliament in a very awkward position. As is well known to the Committee on Budgetary Control, the Court of Auditors has just adopted a detailed report on this subject which is expected to be available in January. I have no doubt that when the Court's observations have been promulgated, and they have already been discussed in some detail between the Commission and the Court, the next Commission will wish to state its position on them. It would seem more proper, Madam President, for Parliament, through its Committee on Budgetary Control, to take cognizance of the Commission's reactions and replies to these expected observations from the Court and to discuss them with us before making its own judgment.

If the House adopts paragraphs 3, 4 and 6 of the resolution proposed by Mrs Hoff, it will in effect be pre-judging this complex and difficult issue. This would hardly seem consistent with the responsibility laid on the Committee on Budgetary Control or with the ordinary handling of public business between Community institutions. I do not always find myself, Madam President, seeking to defend the actions of the Committee on Budgetary Control, but in the absence of Mr Aigner perhaps I might take the opportunity to say a word on behalf of his committee.

I turn finally, Madam President, to Amendment No 1. It is evident from what I have just said that for the Commission this proposed addition to the draft resolution is doubly premature and so doubly mistaken. It is clear that, after publication of the Court of Auditors' criticism and of the High Authority's replies next month, there will be ample opportunity for all concerned to reach an informed and balanced view on what should be done in the future. The opinion of the Committee on Budgetary Control should certainly be available to Parliament before it forms a firm view on these matters. Honourable Members will have abundant time to take a view on the 1986 levy rate after the Commission has presented its proposal. It can, I believe, serve no useful purpose to ask Parliament to do so now.

President. — Thank you very much, Mr Tugendhat. Before declaring the debate closed, I think it would be the wish of Parliament for me to thank you, Commissioner, for the extraordinary courtesy, clarity and integrity with which you have always replied to this House and spoken to this House. I know that particularly those members of committees that you have had more frequently cause to visit will particularly wish me to thank you for the way in which you always attended their meetings whenever you were requested to be there and for the very generous way in which you gave your time. You have served your own institution not only to the best of your ability but for the benefit of the Community as a whole. I know that the House would wish me to thank you very particularly and may I, as an old friend, wish you a very Happy Christmas and great success in your new life when you leave the Commission.

(Applause)

The debate is closed.

The vote will be taken at the next voting time.

8. *Wines*

President. — The next item is the report (Doc. 2-1095/84) by Mr Dalsass, on behalf of the Committee on Agriculture, Fisheries and Food, on

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the proposals from the Commission to the Council (Doc. 1-347/84 — COM(84) 283 final) for:

- I. a regulation amending Regulation (EEC) No 358/79 on sparkling wines produced in the Community and defined in Item 13 of Annex II to Regulation (EEC) No 337/79
- II. a regulation amending Regulation (EEC) No 338/79 laying down special provisions relating to quality wines produced in specified regions
- III. an amendment pursuant to the second paragraph of Article 149 of the Treaty to the proposal for a regulation laying down general rules for the description and presentation of sparkling wines and aerated sparkling wines (OJ C 120 of 5 May 1983, p. 3, Doc. 1-212/83).

Mr Dalsass (PPE), rapporteur. — (DE) Madam President, at last we are to resolve the question of sparkling wines and we are to vote on three Commission proposals. I will go into them very briefly, or rather pick out the most important points, so that we can also vote on this report at 7 p.m.

One Commission proposal relates only to the special provisions made for one state. These special provisions are about to expire, and it is time to renew them to avoid any legal gap. I think the Council should approve this provision as soon as it can.

A second Commission proposal, and now we are coming to the substance, provides for a slight rise in the minimum alcoholic strength for the production of sparkling wines. The European Parliament has already expressed its opinion on this question, it has already rejected it once, and I too believe that it need not necessarily be accepted, since the quality of sparkling wine does not depend only on that but on many other things too. The Committee on Agriculture, Fisheries and Food has rejected it and I hope Parliament will do the same.

The Commission has also proposed reducing the maximum sulphur dioxide content from 250 to 225 mg for sparkling wines and from 200 to 175 mg for quality sparkling wines. This measure also met with the approval of the Committee on the Environment, Public Health and Consumer Affairs. I believe it is a step in the right direction. Where possible, we should gradually reduce the total sulphur dioxide content.

One Member has suggested it should only be reduced again for ordinary sparkling wines. I think it would be wrong not to be consistent in both cases, for ordinary and for quality sparkling wines. So I would not accept this amendment. It would create an imbalance.

A further major change relates to the duration of the preparation process and the ageing process in the

production firm. It was reduced from 9 to 6 months for wines fermented in closed tanks. I regard this solution as acceptable. It is a compromise which can be accepted by everyone. Here again one Member has tabled an amendment to reduce the duration from 9 not only to 6 but to 4 months. That would impair the quality of the wines, and I hope this amendment will not be accepted. The duration of the fermentation and the presence of the wine on the lees was also increased from 60 to 75 days, i.e. an improvement in quality, and from 21 to 30 days if fermentation takes place in containers with stirrers, a solution that is quite acceptable.

The next proposal amends the regulation laying down the general rules for the description and presentation of sparkling wines and aerated sparkling wines. Parliament already adopted this proposal on 17 February this year, when I was also rapporteur. Then too, I called on the Commission in our resolution to review the provision that a whole range of ingredients has to be listed on the labels. Either this list of ingredients is not read and therefore of no value, or it merely confuses the consumer. For, in the end, these ingredients are in no way harmful. Since the Commission has done nothing about this, I have now proposed — and the Committee on Agriculture, Fisheries and Food has agreed — deleting this provision.

I now come to my last proposal. The Commission proposed that the description *méthode champenoise* may only be used in France and at most in Luxembourg. That is a proposal I do not understand, for this description has always been in current use in the other countries of production and is still used today. Others should not be forbidden to use it, for it is not a question of protecting a product but of a method, i.e. a process for making sparkling wine. The process itself is permitted, but others are not permitted to use this description on the label. The Committee on Agriculture, Fisheries and Food has agreed with me and decided that other countries should also be permitted to use this description.

Those are the most important points in these three proposals. I have little to add. The various dates were altered because they no longer apply. I hope that the European Parliament will endorse these three proposals and the amendments adopted by the Committee on Agriculture, Fisheries and Food so that we can finally have definitive rules in this area too.

Mr Eyraud (S). — (FR) Madam President, ladies and gentlemen, the three Commission proposals on sparkling wines are bound to meet with our approval; they are a move towards greater consumer protection, without causing any damage to producers.

On this point I should also like to remark that the interests of the two are very often concomitant, contrary to what certain of our colleagues would sometimes seem to believe.

Eyraud

I welcome the major part of Mr Dalsass' report but would like to say that I think it preferable for the ingredients used in the manufacture of sparkling wines to be listed on the label. On the other hand, I do not see any need for introducing yeast to speed up the fermentation of the wine, as the presence of quality musts makes it possible to raise the alcohol content and so raise the quality of sparkling wines.

I should also welcome proposals from the Commission for reducing chemical preservatives in foodstuffs of animal and vegetable origin in line with technological progress.

We, the Socialist Group, want consumer information to be as clear as possible. That is why here too — and I apologise to my colleague Mr Dalsass — we are not in agreement with allowing the words *méthods champenoise* to appear on any label. We think that this will tend to mislead the consumer, creating confusion in his mind. On this point let me mention that we have seen, first, the introduction of the champagne method of production in the United States and then the appearance of Californian champagne. For my part I would not like the Community to set out along this road.

That is why we prefer the Commission's wording to the rapporteur's in Article 5 of the proposed regulation. Clarity and information are the aims pursued by the Commission; they are aims which we wholeheartedly support.

Mr Mühlen (PPE). — (FR) Madam President, the rapporteur, Mr Joachim Dalsass, was quite right to pay careful attention to the Commission's proposals on the rules applicable to sparkling wines produced in the Community and to quality wines produced in specified regions, as the two proposals do indeed merit close examination, and amendment on certain points.

I shall confine my comments to examination of the amendments to Regulation No 358/79 relating to sparkling wines produced in the Community.

The production of sparkling wines is of significant importance in several of our countries, not just France. Although the manufacture of sparkling wines in the Community can claim to have regional, even local, characteristics, it is no less true that the classic sparkling wines have one feature in common: the traditional method of production is by fermentation in the bottle, also known as the champagne method.

As producers have always spoken explicitly in favour of the so-called champagne method, it is difficult to understand why the Commission is now prohibiting the use of this term. The ancient method, that of Dom Perignon, cannot claim exclusive rights to it as it is not a term which describes the origin of product.

Thus prohibition of the term would amount to introduction of discriminatory territorial protection in respect of a manufacturing process, contrary to the principles and the letter of Community law.

The rapporteur was therefore right to introduce an amendment and to avoid the creation of a dangerous precedent in the territorial protection of manufacturing processes.

Furthermore, I support the rapporteur's opinion that it should not be obligatory for the ingredients to be specified on the label. This would only increase confusion among consumers.

There remains the question of whether a minimum alcohol content should be laid down and whether it should be shown on the product. I think that an obligation to show the alcoholic content would discriminate against sparkling wine as against other alcoholic products, as a blanket prohibition of this kind does not impose similar obligations on other products in the sector.

I have one last observation, concerning the origin of wines used in the manufacture of sparkling wines.

As things stand at present the Commission does not require producers of sparkling wines to provide details of the origins of the wines used, and it does not intend to do so in future.

I support this view, because producers always have the option of indicating the national origin of the product, insofar as they use only wines produced in the territory of the country in question.

These, Madam President, are the comments I wished to make on the Dalsass report.

Mr Sherlock. — Madam President, I am pleased to act this evening as stand-in for my colleague, Mr Provan, and help Mr Dalsass in his excellent work, asked me to speak under the false impression that DOC was a capital way to spell Doc!

The idea, though, of 'beaded bubbles winking at the brim' holds more joy than the catalytic conversion of exhaust fumes which I have been involved with more recently! It gives me a chance to remember that

Carbonic calculating Dom
Who put the fizz in Perignon!

Why do we, incidentally, always have to pay extra duty for the gas?

Wines of quality must be encouraged throughout the Community and the consumer must find their recognition easy.

Like that quality most pure
From the Marquis de Saluces (The Lur)

Sherlock

Their standards must be regulated, even bouquet and flavour to flatter the palate, so

Decisions ever must be wise
Whether or not to chaptalize,
And lessening the SO₂
Is such a wholesome thing to do!

Concentration on identifiability of regions is also worthy for they all have their advocates and dedicatees. In this context I would remind you that

Südtiroler or Trentino,
Equally describe fine vino,
And there is nothing phoney,
About my Amarone!

Consultation on quality should lessen the risk of further increases in excess production in the Community and add greatly to the well-deserved income of the *viticulteur*, and even the *negociant* should benefit.

'I often wonder what the vintners buy,
One half so precious as the goods they sell.'
Merci, Madam President, joyeux Noël!

Mr Gatti (COM). — (IT) Madam President, the proposals for regulations which we are considering are most important, both because they concern a very special and important sector, that of sparkling wines, and because the Commission's proposals as modified by the rapporteur's proposed amendments — all but one of which I support — could represent real progress in bringing clarity to the regulation of these products. They promise a much clearer picture of sparkling wines and their areas of origin for the consumer who, with the safeguard of the seal of controlled origin, will be able to buy and consume these products in full confidence.

This is why I entertain some doubts as to the rapporteur's first amendment which has been adopted by the Committee on Agriculture, and which has the effect of deleting paragraph 3. It seems to me that this amendment is in fact contrary to the committee's intentions. The regulation as it stands lays down maximum alcoholic strength limits as 3.5% by volume for wine-growing zone A and 2.5% for zone B. There is provision for increasing these in years with exceptionally unfavourable weather conditions.

I think the Commission is right when it proposes increasing these limits in recognition of the general principle that sparkling wines, too, have to be produced from raw materials, i.e. from grapes.

Consumer protection is often mentioned in this House; it has been also referred to just now. I agree with the Commission's proposals because what we need is precise regulations which correspond to the notions of consumer protection. To permit, or rather to admit, as deletion of Article 1 of the Regulation

would do, that sparkling wines can have alcohol added from natural content zero means that this wine will originate not in the vineyard and on the vine but down in the cellar. If that's what we want, let us say so clearly! But then the consumer should be told what he is drinking; and the farmers should be told, because they will have difficulty in selling their grapes. That is why I am against that deletion of Article 1. I am for the Commission's text whereby the present values are increased, if only by one point, because that is what we need.

Accordingly, I have tabled an amendment seeking to reduce the sulphur dioxide content from 250 mg to 200 — both for ordinary and sparkling wines. I should like the rapporteur to note that I make no distinction here. The present regulation lays down 250 mg for sparkling wines. Well now, if the rapporteur agrees to the principle and himself proposes that 250 mg should be reduced to 225, I really don't see why he should be accusing me of discriminating: the distinction exists in the present regulations. So if the rapporteur agrees with the principle that the sulphur dioxide content in sparkling wines should be reduced, because SO₂ is a chemical additive, I just don't see why we can't take another small step and go down from 250 mg to 200.

Again, as regards the minimum time of fermentation for quality sparkling wines made in closed vats, the rapporteur must know that modern experience shows that this type of wine must be marketed when young (in fact he proposes reducing the fermentation time from nine to six months). This type of sparkling wine appeals to a special class of consumer and it must not be allowed to age. I feel that a further reduction is called for, and four months would be ample.

These are my remarks on two particular aspects of the proposals, but I would stress once again that the nub of the whole problem is Article 1. We cannot agree to the amendment seeking deletion. Otherwise we are in general agreement with the report and we shall vote for it.

Mr Musso (RDE). — (FR) Madam President, ladies and gentlemen, on the whole we would agree with the first two proposals and the rapporteur's amendments, although I have some reservations as regards Amendment No 2, especially as regards yeasts. This is not very serious.

On the other hand, we cannot accept the amendment of the general rules on description. Even if the method of production is the same, even if there are two alcohol fermentations for the champagne method, it is by no means customary in other countries to use the French words *méthode champenoise*. If the German equivalent of *méthode champenoise* is used in Germany, if the present description is used in Italy, there can be no objection. But why put it in French when the term *méthode champenoise* is a French term which has to be

Musso

written in French on French bottles? It is not the method of production that is at issue; it is the description on the label and the fact that it is in French.

If we were to carry on in this way we would produce in France *Chianti* on which we would write *Chianti*. It is intolerable.

Mr Ferruccio Pisoni (PPE). — (IT) Madam President, I rise to express my total agreement with the motion for a resolution presented by the rapporteur, Mr Dalsass, because I feel that it embodies as realistically as possible present-day requirements: for example, that of providing the consumer with certitude as to the meaning of the writing on the labels and the need to conform to what is written there. It also brings the regulations into line with the new technologies and the new method of producing this wine, which has a respected image that must be safeguarded.

To our French friends who are worried about the appearance of the French words *méthode champenoise* on the bottle, I want to point out that this merely refers to the method used in production. It is just the same as, in a different field, using the words 'the d'Hondt method' to describe a certain way of calculating proportions. Everybody uses them because there is no other way of describing the method of calculation. In the same way the *champenoise* method is a process used in a particular geographical location but also used in other places; it is simply a way of describing the method. It clearly does not refer to a geographical region, because were that so, the words *méthode champenoise* could not be used even in France outside the geographical limits of the Champagne region.

I also agree with the rapporteur's position on the amendments that have been submitted, and we shall be acting accordingly.

But I should also like to take this opportunity to draw the attention of the Council and the Commission to the general problem of wine, and not just sparkling wines. The agreement reached in Dublin on regulating this sector is going to cause a lot of difficulties and has left too many things unsaid. It penalizes one country, almost exclusively, and within that country and its viticultural output it has penalized, so far at least, only one category of wine: table wines. It is a sacrifice laid on the altar of the accession of Spain and Portugal. But surely this price should not be paid just by one sector in one country but should be borne equally by all.

I also want to raise the issue of how the Commission and the Council intend to put this agreement in principle into effect and to demand respect for the rights of this Assembly in regard to decision-making. It is unthinkable that the Council should determine agreements in principle which imply definitive decisions and that Parliament should only be consulted on the imple-

menting mechanisms without being able to alter the general principles.

That, however, is precisely what has happened with the regulations we are now debating: while we are about to give our opinion, the Council has in fact already made the decision. And it is something that is happening all too often.

In conclusion, Madam President, I call firmly and clearly on the Council to respect the prerogatives of this Parliament and to have the goodness to submit to our Assembly not just decisions for ratification but the entire set of proposals for readjustment, in the conviction that we are also perfectly capable of examining them in the light of the general good and that we are not prone to bend to the pressures of lobbies or interest groups. We are just as concerned to effect savings, but we want a readjustment that leads to an equilibrium that can benefit everybody: producers, consumers and the community as a whole.

Mr Adamou (COM). — (GR) Madam President, we have no objection to the amendments to the Regulation on measures concerned with improving the quality of wines produced in the Community, and we shall vote in favour of them.

Our objections and concerns, which reflect those of 400 000 families of Greek vineyard workers, stem from the Community's measures that aim in one way or another to restrict viticulture in Greece. Plans have been made and Community subsidies have been provided for the uprooting of 2 500 hectares (i.e. 25 million square metres) this year and in the year immediately following.

Madam President, viticulture is a fundamental branch of Greece's agricultural economy, accounting for about 10% of the gross value of all our plant products and providing incomes for about 1 200 000 Greeks. Greece has more favourable soil and climatic conditions for viticulture than any other Member State of the Community and produces self-sustaining and high-grade wines. One might have expected the Community to take account of all this and to support Greek viticulture with subsidies for its development, for the building of storage vats for wine, for the support of cooperative wine-making and for the export of Greek wines and dried grapes. Unfortunately, precisely the opposite is happening. The Community wants Greece to be exclusively a consumer market for its own products. The proof of this is that during the first three years following our accession Greece paid out over 800 billion drachmas for imports of dairy and meat products from her Northern partners, applying the principle of Community preference. And during the same period, thanks to the rejection of that principle by her partners, Greece had to bury over 1 200 000 tonnes of fruit and vegetable products. Now the Community wants to uproot the Greek vineyards, to safe-

Adamou

guard major vested interests in that sector. We, however, ask those responsible: once the Greek vineyards have been uprooted, what is to become of the Greek vineyard workers? Are they to sow oregon and camomile? If the Greek vineyards are uprooted, many more thousands of uprooted farmers will join the 350 000 unemployed in our country today.

The Community's authorities seem to believe that by doing away with fruitful cultivations such as viticulture and by creating millions of unemployed and hungry people, they will be able to ensure the Community's survival as an organization. I fear that this policy is more likely to lead to the opposite result. We shall have to wait and see.

Mr Contogeorgis, Member of the Commission. — (GR) Madam President, I would first like to thank the Committee on Agriculture and the rapporteur Mr Dalsass for their basic support of the Commission's proposals on Community regulations concerning the production and marketing of sparkling wines. Of course, these have undergone certain amendments, many of which, in the Commission's opinion, have contributed greatly to improving its proposals and which it will accept. There are, however, some others with which the Commission does not agree and which it cannot accept. To be specific, in Amendment No 1 concerning the modification of Regulation (EEC) 358/79, which relates to the production of sparkling wines, the rapporteur favours the abolition of the directives that envisage an increase in the minimum natural alcohol content of the musts or wines used to define the Cuvée for the production of sparkling wines. The Commission cannot accept this amendment. The minimum natural alcohol content of musts and wines is an indicator of the degree of ripeness of the grapes. Wines of good quality can only be produced from grapes that have reached an adequate level of ripeness. Because of today's overproduction in the wine sector, it is indeed justified, and moreover necessary, for quality criteria to be reviewed with the aim of making them more strict. Thus, the Commission cannot accept Amendment No 1. In contrast, I can tell you that the Commission accepts Amendment Nos 2, 3 and 5. As for the directives concerning quality wines produced in certain regions, the Commission accepts four amendments: Nos 6, 7, 8 and 9 proposed by the rapporteur Mr Dalsass.

As for Amendments Nos 10 and 11 concerning the proposed regulation relating to the general rules covering the classification and presentation of sparkling wines, I should like to stress that the Commission's initial proposal envisages that the label should compulsorily indicate the ingredients used during the process of producing sparkling wines. The rapporteur favours the abolition of compulsory indication of ingredients. Unfortunately, I cannot support this proposal. Sparkling wines compete against other alcoholic drinks for which the Council's Directive 79/112 of 1979 specifies

that it is compulsory for the ingredients to be shown on the label. The Community authorities should therefore try to adapt the rules governing the description of sparkling wines to the principles established in that Directive, which concerns the marking and content of labels for processed foods. As for Amendment No 12, the Commission proposes that the specification *Méthode champenoise* should be restricted to France alone, and the specification *Metodo classico* to Italy alone. The rapporteur and other speakers want these specifications to be used by producers of sparkling wines in all Member States where they are produced. The Commission disagrees and cannot accept this proposal. The specifications *Méthode champenoise* and *Metodo classico* are the subjects of detailed directives in the countries where they are used and are subject to strict control by the French and Italian authorities. These specifications have contributed decisively to the reputation of the sparkling wines produced in France and Italy. In the Commission's opinion, their use with sparkling wines produced in other countries as well, where the corresponding strict rules of control are not in force and are not applied, could constitute a threat to legitimate competition and ought not to be allowed.

As for Amendment No 13, the Commission agrees with the first paragraph. Concerning the second paragraph, the Commission cannot agree because acceptance of the proposed amendment would render point (a) of the proposal devoid of any objective. Besides, it is quite likely that the names of the specified regions, the geographical regions — apart from the exceptions envisaged by the proposal — would be untranslatable.

As for Amendment No 15, the Commission cannot accept it because its proposal already envisages reducing the maximum content of sulphur dioxide from 250 milligrammes per litre to 225 milligrammes per litre. The Commission considers that its proposal allows Member States to provide for stricter directives relative to the limiting quantity of sulphur dioxide.

In relation to Amendment No 16 concerning the duration of preparative processing for sparkling wines, the Commission cannot agree to its drastic reduction because it believes that the duration of the process for producing sparkling wines is a decisive factor in determining the quality of the end product. Besides, Article 17 relates to high-quality products and for this reason, in the Commission's opinion, a reduction from 6 to 4 months would not be justified.

Concerning the Dublin agreement on wines, it is true that the Community is facing a serious problem in relation to wine production. Wine is already in surplus, and with the accession of Spain and Portugal this surplus is likely to increase. Thus, the Community will have to adapt its situation in the wine sector to present-day conditions and to the developments anticipated.

Contogeorgis

In Dublin a start was made towards agreeing the solutions that must be faced, but, of course, the Prime Ministers could not be expected to agree the details. The reached agreement in principle, and this agreement will now be converted into specific legislative acts by the Council of Ministers, so that negotiations can continue for the enlargement of the Community towards Spain and Portugal. And, as you know, one of the main points that still remain open is an agreement in the sector of wine production.

Madam President, with the proposals it has tabled the Commission does not intend to threaten the interests of any Member State. It is trying to find an objective solution which will safeguard the quality of wines and protect the Community against developments that would create a huge financial burden that it could not tolerate.

President. — The debate is closed.

The vote will be taken at the next voting time.

9. *Extraction solvents*

President. — The next item is the second report (Doc. 2-1134/84) by Mrs Squarcialupi, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on

the proposal from the Commission to the Council (Doc. 1-1111/83 — COM(83) 626 final) for a directive on the approximation of the laws of the Member States on extraction solvents used in the production of foodstuffs and food ingredients.

Mrs Squarcialupi (COM), rapporteur. — (*IT*) Madam President, I shall try to be succinct, if only because, after a day of political high feeling, this report from the Committee on the Environment, Public Health and Consumer Protection may seem a small thing. But it is not: it concerns the food we eat every day, and hence our health, since it deals with extraction solvents for foodstuffs and food ingredients, which may be of a different origin. Typical examples would be solvents for extracting olive oil from pressed olives or those used for decaffeinating coffee beans.

Of particular importance is that part of the directive which lists the permitted solvents for foodstuffs. In fact, there are really two lists: one which contains the solvents which carry no health risks and in respect of which no possible residues are indicated, and a second which contains solvents to be used under specified conditions and for which the residues must be shown. Parliament has asked that indication of residues be made compulsory even for those solvents which present no particular health risks, as a safeguard against

the accumulation of impurities which could prove toxic.

Our committee has also asked that criteria of purity be submitted for these solvents, but it has approved the 'permitted' list. On the other hand we have rejected the many exceptions proposed in the motion, as they would make checks very difficult.

The amendments we propose are very simple, our aim being to increase the clarity of the directive. One of them is especially important: the amendment to Article 8. It is concerned with an institutional issue and has already been submitted by the Legal Affairs Committee and adopted by Parliament in May of this year. It is concerned with new powers for the European Parliament with regard to introducing in directives amendments made necessary by technical progress. These powers used to be reserved to the Technical Adaptation Committees: to put it briefly, we felt that these bodies were competent to draft this type of legislation in a way that we, really, were not. Now we ask that the European Parliament should be able to give its opinion on these technical adaptations.

As regards the essential points of this directive, whose importance is greater than might at first appear, let me point out first of all that, as the Legal Affairs Committee put it, this is 'legislation in anticipation', i.e. a directive that deals with problems which might arise in the future and not one that, like the majority of the directives with which we are usually concerned, seeks to eliminate damage that already exists.

I have done my best to describe this proposal for a directive briefly and I have not used up the four minutes allocated to me. I hope nevertheless that Parliament will adopt all the amendments, since the Committee on the Environment, Public Health and Consumer Protection has voted for them by overwhelming majorities. This will then bring to a close the long and fairly torturous passage of this directive through Parliament, delayed as it was by the European elections.

IN THE CHAIR: MR ALBER

Vice-President

President. — We shall now interrupt the debate. It will be continued tomorrow afternoon.

10. Votes

Report (Doc. 2-1102/84) by Mrs Wieczorek-Zeul, on behalf of the Committee on External Economic Relations, on the proposal from the Commission to the Council for a regulation concerning the conclusion of the cooperation agreement between the European Economic Community and the Yemen Arab Republic (Doc. 2-800/84 — COM(84) 416 final)

President. — Mrs Wieczorek-Zeul, you yourself have tabled some of the amendments. Have you done so as rapporteur or as a Member of Parliament? In the latter case you would, of course, be personally in favour of them, but not necessarily as rapporteur.

Mrs Wieczorek-Zeul (S), rapporteur. — (DE) Mr President, I already explained that on Monday. We were under great pressure of time in the committee because the Council did not observe the Luns-Westerterp procedure properly. So we were forced to work on the text of an earlier resolution, to which I as rapporteur made the necessary amendments. I tabled them as rapporteur and I am therefore in favour of all the amendments on behalf of my committee, although I would like to point out that Amendment No 7 has been withdrawn.

(Parliament adopted the motion for a resolution)

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Report (Doc. 2-1119/84) by Mr Formigoni, on behalf of the Political Affairs Committee, on the appointment and swearing-in of the new Commission

Title of the motion for a resolution — Amendment No 3

Mr Formigoni (PPE), rapporteur. — (IT) I should like to know what is the exact intention behind the proposed amendment. If it is merely a linguistic matter I would be inclined to reject it, unless one wanted to replace 'swearing-in' by 'solemn pledge' or something like that. Otherwise, I am against.

Mrs Veil (L). — (FR) I think, Mr President, that, as the other amendments show, this is not a linguistic amendment and that the first amendment should perhaps be held over in order to see what becomes of this amendment, which, as far as the substance is concerned, is an amendment relating to deletion. The title could then be adapted afterwards.

Explanations of vote

Mr Musso (RDE). — (FR) As there is not much time, I shall simply say that we shall not vote on this report

as a whole because we believe that we should not be frivolous. We are prepared to give a vote of confidence, but as for transforming the right of censure *a posteriori* into a right of investiture *a priori*, taking as a pretext an article in the Treaty which gives us the right of censure, we think that, for the time being, that is frivolous. To do that, we must wait for the implementation of the treaty on European Union.

Mr Ephremidis (COM). — (GR) We shall vote against the motion for a resolution because, despite the amendments tabled, its basic defects have not been put right. One such defect is that it extends beyond the scope of the Treaties that you wish to respect, and beyond the constitutional procedures of the Member States, since the Treaties were ratified on the basis of those procedures. And this is for two reasons. Firstly, whereas the Treaties provide that no body has the competence to decide to extend its own authority or that of other common authorities, this motion for a resolution attempts to do just that so far as Parliament is concerned. Secondly, with this motion for a resolution an opportunity has been missed to put right an unacceptable abuse of the implementation of Article 10 according to which the four large countries each appoint two Commissioners, even though paragraph 4 of the debated Article 10 states that 'each Member State has the right to appoint one but not more than two Commissioners', without differentiating between large and small countries. However, this is applied inflexibly, and the large countries each appoint two Commissioners.

For these reasons we shall vote against the Vayssade motion for a resolution.

Mrs Veil (L). — (FR) I shall speak on my own account and not as the representative of all my Group, as some of them will abstain. I shall reject this motion, because I consider that the Court of Justice has some functions which should be inviolate, that it is above all the other institutions and that it is not for Parliament to send demands to the Court of Justice, or even to request it to come here to receive the Commissioner's oaths.

My esteem for the Court prevents me from addressing it in the terms set out in this resolution. In my opinion, it is for the Court to decide what it is to do. That is why I shall reject this resolution and also ask myself what the effect on Parliament will be if the Court of Justice does not accede to this request.

Mrs Boserup (COM), in writing. — (DA) On 19 June 1983 the Danish Prime Minister signed the solemn declaration on political union.

The Danish Government was possibly convinced of the reasonableness of the step. The majority of the Danish population have never been convinced and, as

Boserup

a result of pressure from the popular press, a number of reservations were made and added as footnotes to the text.

These footnotes were supposed to be our government's apology to Danish voters, since scarcely anyone else takes account of them, certainly not the majority here in this Chamber. Now we are to decide on the question of Parliament's holding a vote of confidence in the new Commission's programme. That is mentioned in paragraph 2.3.6 of the Stuttgart declaration, and there is a Danish reservation with regard to that point.

European windbags here will naturally take no notice of the Danes. But I shall. I am voting against this report and I presume that other Danish Members share this attitude.

Mr Coste-Floret (RDE), in writing. — (FR) I shall vote for the motion for a resolution tabled by Mr Formigoni, on behalf of the Political Affairs Committee, because its purpose is to strengthen and improve the working of the European Community.

There are two ways of advancing the European Community: through written or statute law and through unwritten or common law. To proceed by way of statute law requires that the Treaties be amended or that new treaties be negotiated, with subsequent ratification by each of the national parliaments. This is not always easy. Common law affords another method which is at once easier and more flexible. I need quote only one example, namely, the establishment, by customary law, of the European Council of Heads of State and Government. Nowhere is this laid down in the Treaties, but it has become a corner stone of European construction and has been 'institutionalized'.

Obviously, common law may not contravene the Treaties. However, it may legitimately explore areas where the Treaties lay down no binding provisions. This is the method that has been chosen by the motion for a resolution tabled by our Political Affairs Committee.

Not only is this resolution in no way at variance with the letter of the Treaty but, better still, it is entirely in line with its spirit. By giving Parliament, in Article 144 of the Treaty of Rome, the right to censure the Commission, the Treaty obviously subjects the work of the Commission to the confidence of Parliament. It is therefore entirely reasonable that, when a new Commission is being appointed, a vote on its programme should give it, or not give it as the case may be, an assurance of Parliament's confidence in it.

To sum up then, the Political Affairs Committee's motion for a resolution aims at achieving a better balance between the Community institutions, setting the cooperation between the Commission and Parliament on a firmer footing of mutual trust and upgrading the role of our Assembly.

For these three reasons this is a logical and worthwhile forward step on the part of the European Community. That is why I shall vote in favour.

Mr Formigoni (PPE), rapporteur (in writing). — (IT) The resolution we have adopted is of great importance for the future of the Community Institutions.

Mrs Hammerich (ARC), in writing. — (DA) This report from the Political Affairs Committee seeks to give Parliament some influence over the Commission's programme. The Commission is to take an oath of office before the Parliament, which is to hold a debate and a vote of confidence on the programme. It is not surprising that the Political Affairs Committee should propose this. Nor is it surprising that the People's Movement should be against all these small steps to give power to the Parliament. We believe, as everyone knows, in local democracy.

But it was astonishing that the representative of the Danish Social Democrats in the Political Affairs Committee should vote for the report. That not only runs completely contrary to the Social Democrats' policy on the Community, but is also contrary to the official Danish position. As is well-known, in the Stuttgart declaration Denmark, in fact, dissociated itself from giving Parliament authority over the new Commission's appointment. All Danish Members should therefore vote against the Formigoni report.

Mr Rogalla (S), in writing. — (DE) Attempts are frequently made in the House to gain more influence and powers within the Community structure. These endeavours are legitimate and must be pursued. I therefore vote in favour of the Formigoni report, which indicated practical means of achieving this.

The solemn undertaking by the Commission pursuant to the third subparagraph of Article 10(2) of the Merger Treaty — which can also be called the swearing-in — should be a matter for this European Parliament. Hitherto it has taken place before the European Court of Justice, simply for practical reasons. That was tenable as long as this House, especially when it appointed the outgoing Commission four years ago, was still searching for its identity as the directly elected representative of the European citizens.

After the second direct election this search can in all conscience be regarded as concluded. A similar opportunity could only arise four years from now at the earliest, without involving considerable extra costs and changes to the provisions of Community law.

I therefore call on all those responsible in our Parliament, and in particular on the President and the Bureau, not to waste this opportunity to strengthen the dignity, self-image and influence of the European

Rogalla

Parliament step by step. That means that by the beginning of next week at the latest we need personal contacts with the Court of Justice and the appointed Members of the Commission so that this solemn undertaking can be given on the Monday of the January part-session. May I also hope that the Bureau will personally ensure that officialdom does not, for whatever practical considerations, proceed according to administrative rules and say:

'We have never done it like that, then anyone could do it, especially an elected Member of Parliament, and what would this lead to ...'

May I therefore, Mr President, personally request you to inform us soon how the Bureau will carry out this House's wishes?

Mr van Aerssen (PPE), in writing. — (DE) I will abstain on this report.

I entirely agree with recital D that Parliament must introduce a procedure for the debate and vote of confidence. But I am not convinced that paragraphs 2 and 3 propose a feasible procedure for that purpose and I am extremely surprised that the resolution lags behind what Parliament decided during its first period of legislature.

In its resolution of 17 April 1980 (Rey report), Parliament found that it was incumbent on it to approve the Commission's programme. Once the programme is known, a debate should be held which would end in a vote on the appointments and a vote of confidence.

In its resolution of 12 February 1981 Parliament approved the appointment of the Commission, but only because it was able to take cognizance of the Commission's programme at the same time and could declare itself in agreement with its policy guidelines.

Now it is to be decided that at the January part-session we will only discuss the main policy lines and then hold a vote of confidence. I regard this procedure as a step backwards *vis-à-vis* the resolution I have quoted.

I also note that the request for a bilateral interinstitutional agreement has not been repeated. Clearly no one even took the trouble to read through the earlier texts when this resolution was drafted.

I am convinced that turning the vote of no confidence into a vote of confidence would be meaningless unless at the same time the Commission undertakes to carry out a programme approved by Parliament. I am also convinced, however, that the Commission takes office with the best of intentions.

But in addition I call for a provision whereby this directly legitimized Parliament can assert its political resolve *vis-à-vis* the Commission in case of conflict.

(Parliament adopted the resolution)¹

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Report (Doc. 2-1145/84) by Mrs Vayssade, on behalf of the Committee on Legal Affairs and Citizens' Rights, on the appointment of Lord Cockfield as Member of the Commission of the European Communities and on the interpretation and application of Article 10 of the Treaty establishing a single Council and a single Commission of the European Communities (Treaties, 1978, p. 785)

Explanations of vote

Mr McMahon (S). — Mr President, this is a very important legal matter, and I think our Continental colleagues have not understood the intricacies of British law. There is no precedent in English law for a life peer to give up his title. If you turn to the authorities — Holdsworth or Wade and Phillips and so on — you will see that there is no precedent for this. This is a matter which should be tried in the courts. It ill becomes the woman who sits in No 10 — she who must be obeyed — to deliver homilies to the miners and other people on law and order, when she is openly breaking the established practice and conventions of British constitutional law by appointing a life peer to this position.

(Applause)

Miss Tongue (S). — I must admit that I am very dismayed at the opinion of the Committee on Legal Affairs and Citizens' Rights and the way the amendments have actually been voted in this House. I believe the issues are quite simple in this matter. Lord Cockfield is a Member of the House of Lords. However he chooses to fiddle the rules and the Treaty of Rome, he remains a Member of the House of Lords. This House cannot possibly sanction his appointment, quite simply because it contravenes the Treaty.

Lady Elles (ED). — On a point of order, Mr President. As a Member of the House of Lords I deeply resent and deplore the statement by Miss Tongue that there was any fiddling of any rules by any Member of that House. I consider it a grave discourtesy to any peer or any Member of the House of Lords, Lord Cockfield, myself or anybody else.

(Mixed reactions)

¹ The rapporteur was:
— IN FAVOUR OF Amendments Nos 1, 2, 5 to 8;
— AGAINST Amendment No 4.

President. — Lady Elles, our Rules of procedure have nothing to say about the legal status of a member of the House of Lords. That was not a point of order.

Mr Wijsenbeek (L), in writing. — (NL) The Liberal and Democratic Group will vote for this report. Nevertheless, we would like to draw attention in particular to the fact that, according to reports, Lord Cockfield has not as yet requested leave of absence from the House of Lords.

Since the new Commission has already, albeit informally, begun its work, we feel that this does not tally with the undertakings that have been given with regard to this whole matter.

I would ask our Group, which at the moment holds the chairmanship of the Legal Affairs Committee, to keep a very close watch to see that this is done. Otherwise, the House will have to take up the matter again at its January part-session.

(Parliament adopted the resolution)¹

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Report (Doc. 2-1133/84) by Mr Gautier, on behalf of the Committee on Economic and Monetary Affairs and Industrial policy, on the Thirteenth Report of the Commission on competition policy (Doc. 1-208/84)

Explanations of vote

Mr Alavanos (COM). — (GR) On other occasions I have submitted the explanation of vote in writing, and I would have done the same this time had this resolution not, in our opinion, constituted a cynical and extreme declaration of monopolistic supremacy. We are sincerely distressed that it has been signed by the Socialist Group. It is quite apparent that many people, instead of looking towards a multinational Europe of the people, as they say, are only interested in a Europe of the multinationals. This resolution calls for the abolition of national subsidies, the closure of problematic firms, the proscription of any government intervention, the abandonment of air transport, banks and insurance companies to the mercy of Community competition, the intensification of the already great stream of conversions of government-owned enterprises to the private sector, and the only point on which it will not accept competition is in connection with cartels or agreements between large firms. For these reasons the Members of the Greek Communist

Party will vote against it, and we really sound the warning bells for the Greek Government since it seems that the only thing it can expect, in some peoples' view, is for Greece to become a country with no industry, no national air carrier, no banks, no insurance companies, a country of Euro-waiters for Mr Gautier to come and spend his holidays in.

Mr Adam (S). — I am going to vote against this report. I have no confidence at all in the way Community competition policy is being operated at the present time. We are allowing much of our industry to be decimated by our competitors, as is very clearly seen in the shipbuilding industry. We are giving limited financial support and sitting back while the Japanese, and particularly the Koreans, are operating a cut-price policy. They are cutting the throats of our shipbuilders and creating havoc in our shipyards. Korea is the major threat. We should tell them that if they do not stop it, they will face a trade war. It is no good talking about free trade internally and fair trade in the Community if the conditions outside are not fair, and we should tell them so.

Mr Metten (S). — (NL) In this resolution the call is made on page after page to leave the regulation of the economy to the free market and to allow the State to play a very restricted rôle. I am not clear what part there still is for politics to play in this vision. In any event I see no further rôle for Socialist economic policy. I shall therefore vote against.

Mr Gautier (S), rapporteur. — (DE) I will vote for this report. I am also extremely grateful to the British Conservatives for voting with the Socialist Group on several central points, such as the participation by workers in formulating crisis cartels. I am also grateful to Mr Franz for withdrawing his amendments on the question of privatization, because they have little to do with competition. Since we can now, so I believe, take a sensible line in most cases, I will vote for this report and observe the arrangements we have agreed.

(Applause)

Mr Bonaccini (COM), in writing. — (IT) The result of the voting is that the original text submitted by Mr Gautier to the Committee on Economic and Monetary Affairs and Industrial Policy has not been restored. Consequently, as we have declared in the debate, we shall be voting against the whole resolution.

Mr Christensen (ARC), in writing. — (DA) My country, Denmark, has always pursued a policy aimed, both nationally and internationally, at securing free and fair competition without public subsidies or the development of monopolies.

¹ The rapporteur was:
— AGAINST Amendments Nos 1 and 2.

Christensen

Our country's membership of the European Community was based, as regards economics, on the desire to eliminate national subsidies, particularly in the sphere of agriculture. It is therefore depressing to note that the motion for a resolution ignores completely that sector where national and, according to the Treaty of Rome, unlawful subsidies are of such overwhelming importance and higher than at any previous time.

The opinion of our Danish People's Movement against the European Community is that subsidies should be determined on the basis of international negotiations between sovereign States with equal powers. GATT, the OECD and UNCTAD are suitable fora.

We cannot accept that, in its ardour to eliminate technical barriers to trade, the Community should, by means of directives, regulations and judgments of the Court, destroy the right of individual countries to determine their own policies on taxation, the environment, health, working conditions and veterinary matters.

We cannot support this report.

Mrs Daly (ED), in writing. — In supporting the Gautier report on competition policy I am particularly glad that the rapporteur has referred specifically to the reintroduction of a preferential tariff for Dutch horticulturists.

This action was completely contrary to the agreement reached between the Community and the Dutch Government which owed much to the constant pressure by my colleagues in the last Parliament.

Horticulturists in my constituency and in other British constituencies where glasshouse cultivation is important expect the Commission to take very firm legal action to stop this unfair subsidization by the Dutch Government.

In supporting this report tonight, I hope that the House as a whole will bring pressure to bear to ensure that fair competition prevails in this sector.

Mrs Lizin, in writing. — (FR) I shall vote against the Gautier report for a reason of principle. Firstly, because it reflects the options of a liberal economic policy which is responsible for the decline of Europe.

Then for a special reason: I consider that this report is in fact too feeble as regards the position to be adopted towards the discriminatory practices on the pricing of Dutch natural gas.

Not only must such practices be denounced, the victims of these practices must also be compensated,

which may cause problems for major companies in the Member States, notably *Carbochimique de Belgique*.

Mr Penders (PPE), in writing. — (NL) I voted against paragraph 19 regarding the natural gas tariff for Netherlands glasshouse cultivation, for the following reasons.

The Gautier report, a good report, is general in character. It is not a good thing to nail a single country to the pillory. If Mr Gautier wished to include a list of complaints in his report, I have no objection, but then there are more specific problems worth recording. Furthermore, the question of the natural gas tariff for Netherlands glasshouse cultivation is under discussion. The Commission has put questions to the Netherlands Government. I lost the vote on paragraph 19. I am now compelled to abstain from voting on the report as a whole. I am giving this explanation of vote also in the name of my colleagues Mr Vergeer, Mr Cornelissen and Mrs Maij-Weggen.

Mr Prout (ED), in writing. — In the 13th competition policy report (points 217-218), the Commission encourages private citizens to bring private actions to enforce their rights under Community law instead of, or in addition to, requesting the Commission to take action. The Commission believes that spreading the enforcement of Community law will reduce its workload.

Since national laws differ both as to procedure and substance from one Member State to another, the Commission's policy will lead to divergent protection and disharmony within the Community. For example, although the Court of Justice condemned in the San Giorgio Case (199/82) an Italian law which restricted the right to recover taxes levied contrary to Community law, a similar law exists and continues to be applied in France thus denying to taxpayers in that Member State their Community rights; again where it is now clear that actions for damages and injunctions can be brought in the United Kingdom for breaches of Articles 30, 85 and 86, it is not clear in other Member States.

Therefore, the policy of national enforcement must be accompanied by measures at Community level to ensure that the remedies available in all Member States are equivalent in effect and that Community rights are adequately protected in all Member States, as recommended by the committee.

Mr Romeos (S), in writing. — (GR) As I pointed out in my intervention yesterday, the 13th Report by the Commission on competition policy and the related report by the Economic and Monetary Committee contain a philosophy of competition that leads to a Europe of the multinationals and of large capital. At

Romeos

the same time it bars the way towards the development of the Community's less-favoured regions.

Today's voting on the amendments confirmed that Parliament's conservative majority is insisting on the promotion of a multi-speed Europe, so undermining the basic aim of the Treaty of Rome which is to converge the economies.

This is proved by the rejection of my Amendment No 21 which, to quote: 'stresses that the policy on competition within the Community should aim at the creation of equal preconditions for companies in the Community, and at the elimination of existing inequalities between the various regions and countries of the Community. Since the conditions of competition for companies in out-of-the-way regions and less well developed countries are not the same as in the rest of the Community, it is essential to support the modernization and restructuring of such undertakings. In parallel, it is urgently necessary to create appropriate infrastructures in those regions and countries, but also the infrastructure for rapid communication with the remainder of the Community, so that their products can be passed on to the rest of the Community and so that they may enjoy the same conditions of competition.'

For these reasons, the Members of PASOK will vote against the report.

Mr Seligman (ED), in writing. — I shall support the Gautier report, in particular because paragraph 19 calls for firm action by the Commission to reverse the 10% reduction of gas prices for horticulturalists introduced by 'Gas Unie' in Holland on 1 October, in breach of the 1982 agreement.

I understand that the Commission sent a letter to the Dutch on 27 November which initiates action under Article 93 of the Rome Treaty. The Dutch must reply by 18 December. The Commission then has to decide whether to accept the Dutch explanation or to instruct the Dutch to desist. The Dutch then have 2 months to comply.

One can see that the Dutch have been very clever in their timing. It will be March before this distortion of competition can possibly be rectified. Most of the winter season will be over!

Other unfortunate horticulturalists in the EEC will be handicapped throughout most of the winter season, when energy consumption is at its highest.

The Dutch excuse that they have had high interest costs, from investing in energy saving devices, does not hold water. They have had a 300 million guilder grant, just for this purpose.

I hope therefore that the Dutch Government will act voluntarily and quickly to rectify this blatant case of

unfair competition, because it seems that the Commission's action cannot be effective before winter is nearly over. Otherwise there is danger of retaliation, and no one wants that!

Mr Stevenson (S), in writing. — I shall certainly vote against this report and its resolutions and would urge Parliament to do likewise, because it will do nothing to attack unemployment. This report further promotes the doctrine of a complete free market philosophy and *laissez faire* economic policies that have produced massive unemployment, low levels of investment and the deindustrialization of large areas in Member States. This most certainly applies in the United Kingdom under the present government.

Have we learned no lessons from the last five years? Are we to continue supporting policies that result in such economic and social deprivation? Let there be no doubt, that is exactly what will result from this report.

Members on this side of the Chamber have made the fight against unemployment our top priority. Whole generations of people are being cast aside into hopelessness, which cannot and must not be allowed to continue. There is precious little hope for these millions, particularly the young, in this report. We must not abandon our clear responsibility. The Commission should produce a report that will begin to tackle the evil of unemployment. That report must be based on regeneration of the economies and of the industrial base in Member States, primed and sustained by positive public investment in which progressive competition could be recognized. We should welcome a policy of intervention and public initiative as the only way to redress the appalling record of failure by private enterprise. At this point it is relevant to compare the free market, unbridled competition philosophy contained in this report with the ultraprotectionist and intervention policies applied to agriculture at all costs. What hypocrisy!

My vote will be against this document of doom and for a progressive attack on unemployment.

Mr Welsh (ED), in writing. — I shall vote for this resolution, which I regard as an excellent piece of work by the distinguished rapporteur that reflects great credit on the committee.

However, I deeply regret that, as regards the proposed regulation to establish a block exemption for exclusive distribution agreements for the motor industry, the Commission appears to have progressively retreated from the positions established in the first draft, which were designed to liberalize the market and protect the rights of consumers.

As rapporteur for a report on this matter and a resolution which was adopted by Parliament in May 1984, I

Welsh

must point out that the Commission has abandoned the text endorsed by Parliament in several important respects and in a manner which is clearly contrary to the interests of consumers throughout the Community.

It is very sad that the outgoing Commission appears to have capitulated to pressure from the industry and thus lost a significant opportunity to improve the operation of this important sector.

(Parliament adopted the resolution)¹

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Report (Doc. 2-1103/84) by Mr Herman, on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on the proposal from the Commission to the Council (Doc. 2-588/84 — COM(84) 380 final) for a decision on the coordination of the activities of the Member States and Community institutions with a view to setting up a Community inter-institutional information system (INSIS): adopted

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Report (Doc. 2-1135/84) by Mr Rogalla, on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on the proposal from the Commission to the Council (Doc. 2-452/84 — COM(84) 318 final) for a Sixteenth Directive on the harmonization of the laws of the Member States relating to turnover taxes — common system of value added tax: common scheme for certain goods on which value added tax has been finally paid and which are imported by a final consumer in one Member State from another

After rejection of the Commission proposal

President. — Pursuant to Rule 35 of the Rules of Procedure, I must ask the Commission if it is prepared to withdraw its proposal.

Mr Tugendhat, Vice-President of the Commission. — Mr President, I will consult with my colleagues and we will no doubt consult with our successors. We will convey our view to Parliament thereafter.

President. — The Commission therefore is not withdrawing its document. Rule 35(3) says:

¹ The rapporteur was:
— IN FAVOUR OF Amendments Nos. 1, 6 to 14, 16, 18, 20, 21, 30 to 32, 35, 36;
— AGAINST Amendments Nos. 2, 3, 15 and 24.

If the Commission does not withdraw its proposal, Parliament may decide not to vote on the motion for a resolution and to refer the matter back to the committee responsible.

Mr Rogalla (S), rapporteur. — (DE) Mr President, under Rule 35(3) of our Rules of Procedure we can now either decide not to vote on the motion for a resolution, or we can refer it back to the committee and vote on it during the next part-session. Since the Commission will soon come to the end of its term of office and a new Commission is about to take office, I would advise this House, in the interests also of relations between our institutions, to refer the report back to the committee, provided it makes a new recommendation to the House in one month's time. At the same time I would request that the necessary arrangements be made to ensure that the new Commission member responsible for these questions will take part in the committee meeting on this matter at the end of January.

(Parliament decided on referral back to committee)

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Report (Doc. 2-1136/84) by Mrs Van Rooy, on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on the proposal from the Commission to the Council (Doc. 2-589/84 — COM(84) 412 final) for a Seventeenth Directive on the harmonization of the laws of the Member States relating to turnover taxes — exemption from value added tax on the temporary importation of goods other than means of transport

Explanation of vote

Mr Christensen (ARC), in writing. — (DA) This draft directive affects all other Community harmonizations of VAT.

Since the Danish People's Movement against the European Community believes that Denmark should have the right to determine its own fiscal policy, something which we were promised before our entry into the EEC, we must reject this draft by voting against it.

We would call attention to the fact that overdue payment of VAT on imports will cost the Danish State a loss of income of a thousand million. That is, in actual fact, the prospect implied by the proposals.

(Parliament adopted the resolution)

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* *

Report (Doc. 2-1140/84) by Mr Beumer, on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on the proposal from the Commission to the Council (Doc. 2-446/84 — COM(84) 391 final) for a Twentieth Directive on the harmonization of the laws of the Member States relating to turnover taxes — common system of value added tax: derogations in connection with the special aids granted to certain farmers to compensate for the dismantlement of monetary compensatory amounts applying to certain agricultural products

After rejection of the Commission proposal

President. — Pursuant to Rule 35 of the Rules of Procedure, I must ask the Commission if it is prepared to withdraw its proposal.

Mr Tugendhat, Vice-President of the Commission. — No, Mr President, I am not in a position to withdraw

it. This agreement is an integral part of the Fontainebleau agreement, which is why we put it forward. I will consult with my colleagues and we will consult with our future colleagues, and I suggest that the procedure most courteously suggested by Mr Rogalla in relation to his report might be appropriate on this occasion as well.

Mr Beumer (PPE), rapporteur. — (NL) Mr President, I am perfectly happy to accept this suggestion from the Commission. I would ask therefore that the matter be referred back to committee.

(Parliament decided on referral back to committee)

President. — I would remind Members that they may hand in their written explanations of vote up to 10 p.m. but no later.

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

¹ *Agenda for next sitting: see Minutes.*

ANNEX

Reply to Oral Question No 0-70/84
— with debate —
put by Mr de la Malène

When fixing the agricultural prices for the 1984-1985 marketing year, the Council agreed, by adopting Regulation (EEC) No 855/84,¹ to plan for a gradual dismantling of the MCAs in order to restore unity to the agricultural market, which was compromised by the persistence of different price levels among the Member States.

In order to compensate for the reduction in farmers' incomes resulting from the reduction in agricultural prices expressed in national currency following the revaluation of the representative rate of the DM decided upon to allow the MCAs to be dismantled, the abovementioned Council Regulation authorized the Federal Republic of Germany to grant a special aid to its farmers in the form of VAT relief which should not exceed 3% of the ex-VAT price paid by the purchaser for the agricultural product.

Acknowledging the need to grant this aid in order to avoid a considerable loss of income for German agriculture, the Council at the same time agreed to adopt a Directive allowing the Federal Republic of Germany, by way of derogation from the 6th Directive, to grant aid to its farmers and stating the technical rules for granting such aid.

After the European Council had agreed in principle to the measure planned by the Federal Republic of Germany, and at the request of the Federal Republic of Germany, which had reported income losses above the 3% limit being experienced by its farmers, the Council made use of the powers conferred on it by Article 93 of the Treaty, taking into account these exceptional circumstances which justified exceeding the 3% limit fixed on 31 March 1984 by Regulation (EEC) No 855/84. It therefore adopted Decision 84/361/EEC² authorizing the Federal Republic of Germany to grant for the period 1. 7. 1984 to 31. 12. 1988 a special aid to its farmers in the form of VAT relief of up to 5% of the ex-VAT price for purchasers of the agricultural product.

Unlike the special aid authorized under Regulation (EEC) No 855/84, the Community is not involved in the financing of this purely national aid.

In view of its national character, the Council, in authorizing it, took as its basis the provisions of the EEC relating to State aids, viz. Article 93.

When Regulation (EEC) No 855/84 was adopted, it was clearly understood that implementation of the aid arrangements which it laid down should not affect the Community's own resources; the recitals of Decision 84/361/EEC state that the compensation granted should not exceed the effects arising out of the dismantling of MCAs.

[It is for the Commission to ensure correct application of Regulation (EEC) No 855/84, Decision 84/361/EEC, the 6th VAT Directive and — once it is adopted — the 20th VAT Directive which will define the technical rules for paying the aid granted to German farmers in the form of VAT relief.]. In addition, the aim of the proposal for a 20th Directive, currently being examined by the internal bodies of the Council and the European Parliament, which is at present being consulted pursuant to Article 100 of the Treaty, is to authorize the Federal Republic of Germany, by way of derogation from the 6th VAT Directive, to use VAT to grant the special aid provided for the Regulation (EEC) No 855/84 and Decision 84/361/EEC.

¹ OJ L 90, 1. 4. 1984.

² OJ L 185, 12. 7. 1984.

SITTING OF FRIDAY, 14 DECEMBER 1984

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IN THE CHAIR: MR GRIFFITHS

Vice-President

(The sitting opened at 9 a.m.)

1. *Approval of the Minutes*

President. — The Minutes of yesterday's sitting have been distributed.

President

Are there any comments?

Mr Glezos (S). — (GR) Mr President, I cannot find my name in the list of those who took part in yesterday's voting on Document 1185/84 by the Committee on Budgets. I voted in favour of the report by the European Parliament's Committee on Budgets, and consequently voted against the draft budget of the European Communities for 1985.

President. — We will make a note of that, Mr Glezos.

Mr Fitzgerald (RDE). — Mr President, may I ask you to convey to your colleague my thanks. Yesterday morning I raised the issue of a written reply and the occupant of the Chair yesterday morning kindly had the matter attended to. Please convey my thanks to him.

Might I then, Sir, ask you further with regard to Question Time that you consider the problem that arises regarding written replies. It appears to me that the written reply comes in the language of the Commissioner concerned. I would suggest to you, Sir, that rather than being circulated to the Member in the language of the Commissioner, it should be circulated in the language appropriate to the Member. I would ask you to have that matter examined.

President. — We take notice of your request, Mr Fitzgerald.

Mr Tomlinson (S). — Mr President, in the vote of the Parliament to reject the budget yesterday, the vote was clearly declared as 319 in favour, 5 against and 16 abstentions. In the record of the vote only 3 people are recorded as voting against, and I should like an explanation as to the discrepancy between the 5 that were declared and the 3 that have been recorded.

President. — Mr Tomlinson, I understand that the reason for the discrepancy is that immediately after the vote a number of people came to the front and explained that they had voted in a way they had not intended to, so the vote was changed.

(Laughter)

That is what happened.

Mr Tomlinson (S). — Does that mean to say then, Mr President, that the House was misled by some of the explanations of vote from Conservative Members after the debate?

President. — Well, that I cannot go into now. Perhaps you could pursue it with those Members yourself.

(Parliament approved the minutes)

2. Membership of Parliament

President. — Mr Grigorios Varfis has informed me in writing of his resignation as a Member of Parliament. In accordance with Article 12 (2), second subparagraph, of the Act concerning the election of the representatives of the Assembly by direct universal suffrage, the Assembly establishes that there is a vacancy and will inform the Member State concerned.

Furthermore, in accordance with the Danish law of 14 December 1977 on Greenland, with particular reference to the provisions concerning the election of representatives to the European Parliament, Mr Lyng's term of office ends on 31 December 1984. The Danish authorities have informed me that Mr Lyng is being replaced by Mr John Iversen. I should like to welcome our new Member and remind the House of the provisions of Rule 6(3) of our Rules of Procedure.

Mr Wijsenbeek (L). — May I remind you of the fact that it is not yet 31 December and that Mr Lyng is still among us.

President. — I did say that Mr Lyng's term of office ends on 31 December.

Mr Wijsenbeek (L). — Yes, but you welcomed already the new Member.

Mr von der Vring (S). — (DE) Mr President, would you please be good enough to pass on the good wishes of the House to Mr Lyng and give him an opportunity of saying farewell?

President. — Mr von der Vring, the intention of the Presidency was to do that after we had completed the votes which must be taken this morning.¹

¹ For items concerning petitions, transfer of appropriations, written declarations under Rule 49, documents received, reference to committee, and procedure without report: see Minutes.

3. Votes

Report by Mr Evrigenis, on behalf of the Committee on Legal Affairs and Citizens' Rights, on the proposal by the Commission for a Council directive amending Directive 77/780/EEC on the coordination of laws, regulations and administrative provisions relating to the taking-up and pursuit of the business of credit institutions (Doc. 1-341/84-COM(84) 260 final) (Doc. 2-1162/84): *adopted*

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Report by Mr Tolman, on behalf of the Committee on Agriculture, Fisheries and Food (Doc. 2-1159/84), on the proposals from the Commission to the Council (Doc. 2-778/84-COM(84) 500 final) for

I. a directive amending Directive 64/432/EEC as regards certain measures relating to classical swine fever and African swine fever

II. a directive amending Directive 72/461/EEC as regards certain measures relating to classical swine fever and African swine fever

III. a directive amending Directive 80/215/EEC as regards certain measures relating to African swine fever: *adopted*¹

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Report by Mr Tolman, on behalf of the Committee on Agriculture, Fisheries and Food, on the proposal from the Commission to the Council (Doc. 2-978/84-COM(84) 565 final) for a regulation amending Regulation (EEC) No 652/79 on the impact of the European Monetary System on the common agricultural policy (Doc. 2-1161/84): *adopted*

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Report by Mrs Hoff, on behalf of the Committee on Budgets, on the fixing of the ECSC levy rate and on the drawing up of the ECSC operating budget for 1985 (Doc. 2-467/84-COM(84) 419 final) (Doc. 2-1143/84)

Explanation of vote

Mr Wurtz (COM). — (FR) The French members of the Communist and Allies Group will vote against the Hoff report. The adoption of Amendment No 1, giving notice of Parliament's intention to examine the

possibility of reducing the levy rate for the financial year 1986, is not, in our view, a good thing. This would open the door to an offensive by the Commission, under pressure from the industrialists, to start reducing the rate of these levies, and this we do not want.

(Parliament adopted the resolution)¹

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Report by Mr Dalsass, on behalf of the Committee on Agriculture, Fisheries and Food (Doc. 2-1095/84), on the proposals from the Commission to the Council (Doc. 1-374/84-COM(84) 283 final) for:

I. a regulation amending Regulation (EEC) No 358/79 on sparkling wines produced in the Community and defined in Item 13 of Annex II to Regulation (EEC) No 337/79

II. a regulation amending Regulation (EEC) No 338/79 laying down special provisions relating to quality wines produced in specified regions, and an amendment to the proposal for a regulation laying down general rules for the description and presentation of sparkling wines and aerated sparkling wines: *adopted*²

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4. Biotechnology

President. — The next item is the report by Mrs Viehoff, on behalf of the Committee on Energy, Research and Technology (Doc. 2-1144/84), on the proposal from the Commission to the Council (Doc. 1-335/84-COM(84) 230 final) for a decision adopting a multiannual research action programme of the European Economic Community in the field of biotechnology (1985-89).

Mrs Viehoff (S), *rapporteur*. — (NL) Mr President, many of the subjects touched upon in this report on biotechnology will be debated in future part-sessions of the House. Biotechnology will be responsible in the future for significant changes in the structure of world trade and the international distribution of labour, in the same way as the microelectronics industry is at the moment. Microelectronics has taught us that the introduction and development of the same line of production is an uneven and irregular process, that it is developed and applied more quickly in one region

¹ The rapporteur spoke in favour of Amendment No 1.

² The rapporteur spoke in favour of Amendments Nos 1 to 3 and 5 to 14 and against Amendments Nos 15 and 16.

¹ The rapporteur spoke against Amendment No 1.

Vichoff

of the Community than in another. This leads to an even more imbalanced development and can in the long run considerably hamper European integration.

What I wanted to illustrate clearly — and I hope you have understood this from my report — is that biotechnology can also lead to political conflict, both within the Community itself and between the Community and the United States and Japan and the third world, and that is why we must try to find a common political denominator as early on as possible. Here the European Parliament has an important rôle to play.

The report is an attempt to provide as brief a summary as possible of the major points for discussion on the development of biotechnology. The most important point is the political importance of developing biotechnology together in Europe and the economic need to do so. The Community cannot afford to become even more dependent on the United States or perhaps even Japan in the future. Our countries possess a considerable knowhow potential. The Committee on Energy, Research and Technology unanimously approved the proposal from the Commission to the Council together with Amendments Nos 1 to 10 inclusive and the draft resolution. We trust the Council will follow this good example on 19 December.

The Commission clearly indicated in its preparatory studies that there was a need for a European biotechnology programme. This met parliament's request contained in the resolution accompanying Mr Schmid's report. Parliament's second request — namely, to indicate clearly the social consequences of a more intensive use of biotechnology — has not been given such a clearcut answer. Hence the importance of paragraph 2 of the resolution, which calls for a European assessment programme of the consequences and risks. The Dutch version of this paragraph fails to get the point across. It talks of evaluation, but evaluation happens after the event. We intend the assessment to be made beforehand. As we are really just starting to develop biotechnology, there is still time to take measures to control this development and avoid possible nefarious effects. We must ensure we do not develop a technology where negative consequences are only detected later. In a word, we must avoid the mistakes made in the development of nuclear energy and the production of toxic substances. I need only here remind you of the Seveso disaster and the recent terrible toxic disaster in India.

We must also ensure that we do not get so involved in discussions on competition in biotechnology with the United States and Japan that we lose sight of safety and democratic control. We cannot leave the responsibility with the world of science and industry alone, especially not now that because of science cuts universities and colleges are seeking other sources of income and nearly always find that in industry. The whole of society must share the responsibility here. The safety of laboratory workers must be guaranteed,

and that means involving the trade unions. The outside world must also be adequately protected against possible nefarious effects of discoveries in laboratories and dangers of a bio-hazard, just as we have seen the chemical hazard in India.

We must also respect international agreements on safety. We must prevent countries in the third world in particular from being used as testing stations for biotechnological research. Genetic manipulation involves many ethical, social and legal issues which have yet to be resolved.

Mr President, technological development, especially that of biotechnology, cannot be halted or undone, but possible negative effects must be brought under control in sufficient time before they control the human race. Safety and information must therefore be top priority. Many issues call for an open discussion, because we must ask ourselves whether everything that is technically possible is also always desirable, and with genetic manipulation in particular this question is of major importance.

I should like to put a final question to the Commission. Does the Commission believe that the Council will adopt this programme on 19 December? I see that Mr Davignon is not present at the moment, but perhaps his substitute can answer. And can he report on the discussion on 12 December organized by Mr Davignon with representatives of the European chemical, pharmaceutical and food industries?

(Applause)

Mr Metten (S). — *(NL)* Mr President, the race between the United States, Japan and Europe in the development of new technologies is a subject of topical interest. Right across the board there is agreement that European efforts must be intensified. The competitive element in this situation may appeal to some, but we are concerned first and foremost with economic and socially significant results.

The planned budget for the Community's multi-annual biotechnology programme, 88 million ECUs spread over five years, seems, in the light of the scale of the programme, too modest to be able to expect it will make a substantial contribution to economic development. But the importance of this programme is illustrated by a preliminary assessment of the *Esprit* programme. The amount of expenditure seems a less important factor than the proper organization and coordination of research and the cross-pollination effect which emanates from international exchanges. While Europe's cultural diversity is often regarded as a disadvantage when compared with the United States and Japan, it can be transformed into an advantage here through the exchange and interaction of differing research cultures.

Metten

If effective cooperation can produce good economic results from a modest effort at the European level, the social effects of this programme, however, are much less certain. If there is not sufficient control of research and development, there is a grave risk of biotechnology saddling us with bigger agricultural surpluses in particular, because it is the agricultural sector which stands to gain most from the present system of guaranteed prices, among other things. The social needs of public health and the environment are much greater, but the expected gains smaller. Here the Community can clearly play its part by keeping a political check not only on the direction in which biotechnology is developing but also on the way in which research and development is carried out in relation to possible dangers for working people and the environment. Here I maintain that it is even more urgent to consult the workers in this programme than in other sectors.

Mr President, I should like to wind up by saying that the Socialist Group welcomes the Commission's proposal and supports Mrs Viehoff's resolution.

Mr Raftery (PPE). — Mr President, ladies and gentlemen, I would like first of all to compliment Mrs Viehoff on this excellent report, although there are some areas in it with which I would not fully agree.

In her speech she mentioned microelectronics. This is a technology that has had a massive impact on world economies in recent years. However, one of the essential differences I see between microelectronics and biotechnology is that the microelectronics technology has destroyed jobs in many countries, whereas biotechnology will not do that.

She also mentioned the gap between American and Japanese technology and European technology and, of course, she is quite right. This gap exists and is growing. Europe, which was once the cradle of science and technology, is very rapidly becoming a third-rate power in this area. The penetration of world markets by US and Japanese high-technology products is causing Europe to lose not only jobs but markets both at home and abroad. Computers and video-recorders, as well as cars and various other products, are visibly taking away our jobs and our markets. The success of these two countries in innovation, especially in the high-technology field, is one of the principal reasons why in the past ten years these two nations have created 20 million new jobs while in the same period of time Europe has had an increase in unemployment in excess of 10 million.

The mistakes we have made in Europe in allowing European research and development to lag so far behind, especially in the areas of computers, microelectronics and communications, must not be allowed to recur in the case of biotechnology. Biotechnology has enormous potential for wealth creation across a

whole range of enterprises from agriculture to pharmaceuticals, from energy to pollution control.

In the area of agriculture, its potential for more efficient production through the breeding of better crops and better livestock, the more efficient utilization and fixation of leguminous nitrogen as well as better crop protection is only now being recognized. In food-processing, the use of genetically engineered bacteria is already helping in the production of cheese and other fermented products to give us more reliable products and a better yield. In energy, there is considerable scope for the use of this technology to utilize the waste products of plants and animals, converting these waste products into utilizable methane and ethynol.

The same is true of the by-products of certain industries. One example is the conversion of whey in the cheese industry into useful, potable alcohol, which is already happening in my constituency, thereby not only creating wealth but also solving a pollution problem. Indeed, we have examples already of fossil fuels being used as feedstock to produce very high-quality yeast proteins. In the field of medicine too, products like insulin and Interferon, as well as a whole range of vaccines and monoclonal antibodies, can be produced for disease prevention and control. The list of potential uses is apparently endless, but the problems of realizing this potential are also great, arising for a number of reasons.

First of all, this technology, unlike many other sciences, is a multi-disciplinary area, to a greater extent than any other science that I can think of, requiring the skills, for example, of molecular biologists, biochemists, organic chemists, biochemical and chemical engineers and many others. For success in this area we need first of all to have an adequate number of appropriately trained scientists. I regret to say that we are not producing enough of these scientists, certainly not at the rate that the Japanese and the Americans are at the moment. Now we cannot solve this problem overnight, because there is a long lead-in time to switching around resources. You have to start in the pre-University sector preparing these people for this kind of discipline. So we are going to be faced with the problem for some considerable period of time.

We need greater investment in this area, but above all we need coordination of effort. We need therefore this multiannual approach which the Commission talks of.

Finally, — and I do not think this was emphasized enough anywhere — we need greater efforts to commercialize the results of our research findings in Europe. That is not only useful from the point of view of industry and commerce. It is also the best incentive that research workers can have if they see their findings taken up and utilized by industry.

Mr Turner (ED). — Mr President, we support entirely Mrs Viehoff's report, and I support entirely

Turner

what she said this morning. I think that this really is the 'Esprit' of biotechnology. I know that some people say it is not exactly the same and, of course, it is not exactly the same, but basically it is the same as Esprit, which is now off the ground. Professor Raftery explained very well a lot of the things you can do in biotechnology. I will not do that.

But I will mention one thing he did not mention. It is extraordinary to think that in some years' time the chips in micro-electronic computers will not be made of silicon, they will be made of biomaterials which will actually assemble themselves in the way you want biogenetically. It is extraordinary to think, therefore, that eventually Esprit and this programme will come together.

Now no one knows at the present stage what sphere of industry will first be struck by lightning when a biotechnological process is applied to it. It might be anything in food industries or any of the other possibilities that Professor Raftery mentioned. It may come in Europe, or it may come in Japan or the USA. We cannot say — it is quite a matter of luck. Here we have come in sooner than we did with computers, in comparison with the Americans and Japanese, and there is a possibility that we actually lead if we happen to be the ones who back the right horse.

Mr President, I really want to call this programme 'Biosprit' because Esprit has a good name already, and I would like to christen it 'Biosprit' if I may and use that expression, and I hope everybody else will do so too, and I claim no copyright for it.

The reason why we need 'Biosprit' is this. We must have a pool of technology which is as wide as Europe, as we are now trying to get in the microelectronic field through Esprit. At the present time our experts are divided among ten countries. This is the prime purpose of the programme: to get a European pool of expertise which can be as widespread as that of the Americans or Japanese. Now a very serious matter has occurred in America: biotechnology has grown extremely fast, in eight years, from nothing to what it is now.

It all started in universities. In the past, university professors had been very largely cut off from industrial life, they shared their discoveries with each other, they had been open, they had been publishing their reports. Now, on this occasion, I regret to say that in the United States that has not happened. There are now over 100 small companies comprising university professors who have got together to sell the products developed in their universities. This will eventually result in research in the United States becoming narrower, less empirical and less basic. They will get the advantages at the beginning. At the beginning the companies will gain from the professors who keep the information to themselves and hide it from their competitors. But, in the long run, they will suffer. I give you one example. Four years ago two professors got

together with a thousand dollars each. Their company is now worth \$ 160 Million and they own the shares. Now that is what has happened.

The reason for it is that development from a basic discovery in biotechnology takes place very fast, far faster than in, say, micro-electronics. You can actually see the products you are going to make and how you are going to make them almost as soon as you have made the discovery. The result also is that American companies have poured vast sums of money into universities. A company will adopt a university, spending anything from 20 to 120 million on a laboratory there, on paying the professors and even the research students. This means that the universities are now already mortgaged to individual companies in the United States. As I say, the danger is that in the long run this will lead to a falling off of basic research in America as they become more and more attached to getting immediate financial results from what they are working on.

Now 'Biosprit' is exactly the opposite, because 'Biosprit' insists on there always being more than one company associated in every project from more than one country. So any university which comes into a project under 'Biosprit' will be dealing with at least two companies, and that is precisely what is not happening in the United States. That is a very important reason why we must support 'Biosprit'.

The industry, as I think Mrs Viehoff mentioned, discussed this matter with Mr Davignon yesterday. I would also very much like to know what was said. But I know that what they were talking about beforehand was: we do not want money from Europe, we want cheaper sugar and starch — the raw materials we need for biotechnology. I think they are wrong in saying that. I think they do need not EEC money but the lead of the whole range of biotechnology and will bring together the companies and the universities in such a way that we do not fall into the errors that have occurred in the United States. So, I very much urge industry not to say we do not want the EEC and we do not need your money and projects. They do not need our money, but they do need the projects. They do need the EEC as the 'marriage bureau'. I am delighted to think that Mr Narjes will be the 'marriage bureau' operator from now on. He is thorough and very hard-working, and I think he will bring the companies together and we shall avoid the mistakes which have occurred in the United States.

(Applause)

Mr De Vries (L). — *(NL)* Mr President, this House has little authority when it comes to legislation. The influence that we can bring to bear on legislation depends to a large extent on the quality of the opinions we express. It is my pleasure to declare on behalf of my group that we consider Mrs Viehoff's report an

De Vries

excellent one — excellent because it is sound, and excellent because of its political approach. Mrs Viehoff has undoubtedly tried, as she has just explained, to bridge the gap between the different groups in this House and has refrained from riding any ideological hobbyhorse.

The report rightly emphasizes the economic importance of biotechnology. When we think that in the year 2000 the biotechnology market will cover between 50 and 100 thousand million US dollars, then we realize the enormous amounts at stake. And furthermore, biotechnology is a strategic sector, a sector which, as the report rightly points out, may well offer solutions to some of the most devastating problems of our time such as illness, malnutrition, pollution and the like, a sector, furthermore, which plays a key rôle in the development of other industries, such as food, waste-processing, pharmaceuticals and petrochemicals. All these issues occupy a central position in the report, and my group heartily approves.

I should like to take this opportunity of making two points to the Commission. It is of the utmost importance that we do not allow the development of biotechnology to be frustrated by the nationalism of any Member States. A free internal market in biotechnology is extremely important. The advantage that the Americans and Japanese have over us is that they have *one* internal market, even in such an important sector as this. And so when it comes to safety standards, for example, to drawing up safety requirements for the development of biotechnology, then we must make sure we draw up European and not national safety standards. I urge the Commission to encourage this process and to report to us in its interim programme at the beginning of the third year of this project.

My second point concerns the importance of small and medium-sized firms in this sector. As happens so often in Europe, and biotechnology is no exception, it is the small and medium-sized firms which are in the vanguard and take the most courageous initiatives in the field of innovation. May the official organization within the Commission draw the necessary conclusions from that. The official department of the Commission responsible for small and medium-sized undertakings is vastly understaffed, and if we rightly expect small and medium-sized undertakings to be in the fore front of innovation, we must then draw the necessary conclusions with regard to staffing.

To sum up, Mr President, biotechnology is one of the economic sectors of the future. Too often in this House we must deal with propping up the economic sectors of the past. We welcome this opportunity of debating such an important economic sector as biotechnology on the basis of such a clear and excellent report. My group is happy to support the proposals.

Mrs Bloch von Blottnitz (ARC). — (DE) Mr President, Nature's pace in transforming the natural heri-

tage and multiplying forms of life is incredibly slow. These new forms of life adapt themselves to the environment at an equally slow pace. Now we are beginning to interfere abruptly — that we must understand clearly — and so must think seriously about the consequences of our actions. We must not fall into the temptation of saying — as we have heard from several speakers today — 'America and Japan are miles ahead of us, we must hurry to catch up.' We made this mistake in the whole of the chemical industry. We then repeated it in the nuclear industry and said, 'That is progress, we must catch up quickly.'

Both these big industrial developments have left us with waste problems which we still have not solved. I would ask everyone to consider how we should tackle these problems, because they bring both serious ethical and social consequences in their wake. This issue has not been thought through. By no means do we understand it clearly. We must realize that. The consequences for third countries too can be fatal in agriculture in particular.

That is why I believe that, although Japan and America may be a cradle of progress, Europe's rôle should be that of a cradle of sense.

(Applause from some benches)

Mr Estgen (PPE). — (DE) Mr President, I should like for my part to thank Mrs Viehoff very sincerely for her useful and necessary report and also to welcome the Commission's initiative here.

There is no doubt at all that biotechnology has heralded the fourth industrial revolution in modern techniques and developed at an extraordinarily fast pace, even for our times. The decisive new developments in genetics over the last decade, the complete control of recombinant DNA, cell fusion and bioprocess technology, will determine our future and certainly that of the next generation as regards both industry and the economy, especially agriculture, and also medicine, the food industry, environmental protection, waste disposal and, last but not least, the production of energy and bioelectronics. The biological control we have gained through genetics raises the question — which you will not be surprised to hear from a Christian Democrat — of the moral control of these new possibilities which the human intellect has opened up.

The question is whether it is not precisely here that there is a risk of the mind outstripping the soul, of our intellect leaving our conscience behind. There is an explosive growth in the field of application and the accompanying market. Nearly half of all the products made in the industrialized countries are of biological origin. We expect biotechnology to solve the most serious problems of our time more cheaply — and justifiably so if only we can make proper use of it. I totally agree with the Commission that a strong biotechnol-

Estgen

ogy is of strategic importance for the competitive position of European industry and agriculture and for the improvement of human life and the environment. It can stimulate economic growth anew and become a key to renewing the socio-economic foundations of our society.

Nevertheless, I cannot help, particularly in this connection, expressing my personal dismay that once again we see the Community left behind in competition by the USA and Japan, and I am by no means as convinced as Mr Turner that we can produce top results without further ado. And so we simply cannot afford any dissipation of effort, any overlapping, any waste of money, and I think that the Commission, especially the new Commission, must make great efforts in this area especially. I expect my fellow countryman, Commissioner Mosar, who will have the industry portfolio, to pay particular attention to these aspects of biotechnology.

By way of conclusion I should like to say that I feel the Commission's proposal has paid insufficient attention to the risks to man and the environment of genetic technology. The Commission says that the main aim of the programme is to strengthen agriculture and the competitiveness of industry in the Community, and I should not wish to contradict that. Industry clearly and inevitably takes its decisions from the point of view of profit expectations and thereby very often underestimates the social and health risks.

The Commission must therefore supplement its proposal, praiseworthy though it may be, to cover the ethical, political and socio-political criteria and we must have an opportunity in this House of debating that addition. On no account may the developing countries, for example, become again the testing-stations for genetically manipulated bacteria. We must not reach the stage of saying that everything which is technically possible is ethically desirable.

(Applause from the left)

I am thinking here particularly of research into human genetics and embryo manipulation. We absolutely must have a serious debate on these issues in this House. Health risks can also develop in alarming proportions. So we must exercise the utmost caution. Here the French saying 'Science without a conscience only ruins the soul' is particularly apt. If Mr Turner coins the expression 'Biosprit', then I would add the term 'Bio-conscience'.

(Applause)

Mr Seligman (ED). — Mr President, my colleague, Mr Turner, made the suggestion that this project should be called Biosprit. I think that is an unfortunate idea because this is not a spree, it is a serious programme and I think he will have to think again. But I

do think that Mrs Viehoff's report is excellent, particularly the explanatory statement is full of vital information. It certainly deserves better than a Friday debate.

This is a vital matter for the Community, and if computers are the third industrial revolution, biotechnology is certainly the fourth. It is the next major step forward for man — the giant step forward. Europe, of course, is as speakers have said, miles behind the USA and Japan in exploiting biotechnology. We have some marvellous research going on, I know, in my country and in other countries, but it is not becoming commercialized. Mark you, I do not think that even in America and Japan it is being successfully commercialized. There is very little profit being made at this time.

But it is not a question of money. Mr Metten said 85 m ECU was inadequate for this programme. It is not a question of money, because in Europe we are spending 130 m ECU on this sort of research. America is only spending 200 m, Japan is only spending 50 m, but they are getting results. Why is that? Because they are coordinating their research. They are avoiding duplication, and that is exactly what this biotechnology programme must do. It must get firms to work together. It must avoid more than one institute doing the same sort of research and not informing the others. So I think 85 m is quite adequate at this time. But, as usual, we must get better results from European research.

The potential for good of biotechnology is enormous, particularly, as the previous speaker said, in helping the Third World and in developing new species, such as the green revolution in India, doubling production of cereals.

I visited the ICRISAT Research Institution in Hyderabad, and I have seen the marvellous work they are doing there in getting nitrogen fixation from the atmosphere, not only on clover and that sort of thing, but on cereals and on pulses. They are producing a pigeon pea now which can be used not only as a source of protein, but also as a source of wood. They are doing marvellous work in biotechnology in the Third World. I think one of the things we should do is to spread that knowledge from India to other countries in the semi-arid areas of the world.

But there are other things we must hope this biotechnology will do. For instance, it is being used in Japan for the extraction of metals from mines. As another speaker said, it is being used for extracting energy from rubbish and waste materials.

We must harness this genetic engineering, we must use it to produce, for instance, higher concentrations of alcohol. This would make gasohol a more reasonable financial prospect. We must use it to develop species like sunflowers which have a higher carbon content and are therefore more effective for energy.

Seligman

In conclusion, Mr President, there are risks, there are dangers. There is a danger that a madman may use Recombinant DNA to produce a master race. We must be watchful for this. I believe in Japan they are arranging crosses between species, between sheep and monkeys. That is extremely significant, very dangerous. I can think of an appalling possibility, and that is producing a cross between a Socialist and a snake in the grass. That would be frightful, even worse than the present situation.

Anyhow, I am not satisfied that controls on genetic engineering are adequate, and I think this is the only area where this report is not strong enough. We must have better controls.

(Applause)

Mr Van der Lek (ARC). — *(NL)* Mr President, biotechnology is of course more than just genetic manipulation, but this is the subject which is most important, most advanced, and has the most far-reaching social and ecological effects. And we still know so little about it. I am somewhat bewildered by the optimism emanating from many speakers and am pleased to see Mrs Viehoff putting a brake on it in her report.

Here I think we should return to basics. At the moment many firms in lots of countries are doing a large amount of research and things happen very quickly, as has already been mentioned. Discoveries are being made left, right and centre. Dreams that could hardly be imagined are becoming reality. But what is not happening, or happening too little, is questioning what will happen, not so much to research itself and the safety of it, but to its large-scale application. There may be tremendous upheavals in the ecological balance with major social consequences. Colleagues of mine who have tried to paint the picture of these developments have been scoffed at because they had insufficient money to research the effects properly. I do not think it is the Community's job to carry out more research; that is being done by the multinationals, the laboratories and all who do not want to be left behind in this rat-race. I think our job should be to instruct the researchers to examine the possible consequences in greater depth.

Mrs Viehoff rightly said that we failed with regard to pollution from chemical technology and we failed in nuclear technology.

That is why we say: no more money for yet more research. Amendments Nos 13, 14 and 15 state that all available money in the Community should be used for research into possible effects, i.e., genuine research. If these amendments are not passed, we cannot vote in favour of the report.

Mr Contogeorgis, Member of the Commission. — *(GR)* Mr President, the Commission is in complete

agreement with the previous speakers, that Mrs Viehoff has presented a truly excellent report relating to the long-term programme for the development of biotechnology within the Community. The Commission thanks and congratulates Mrs Viehoff for her positive contribution.

There is no doubt that biotechnology is a field which will develop very rapidly in the future; but if we in the Community are to be in a position to exercise full control over biotechnology and to exploit fully its possible applications, we must first set high aims for science and research. The European Community must not ignore this important sector, particularly in the light of what has been achieved by its competitors on the world market. That is the notion which forms the basis of the Commission's proposal for a first five-year programme of research in the field of biotechnology. Only with a common European programme and with intergovernmental cooperation will it become possible to concentrate the existing scientific potential of the Member States and to activate it in such a way as to create the prerequisites for achieving the greatest possible progress in this research. There is no time to lose, as previous speakers have stressed, and the Commission concurs with this view completely. That is precisely the reason why the Commission is urging that a decision on the programme it proposes should be forthcoming as soon as possible.

Mrs Viehoff's report is an important step towards that aim, and makes possible an immediate and positive decision by the Council which would stipulate the in-depth evaluation, in a subsequent report, of matters relating to the application of biotechnology.

In addition, Mrs Viehoff, as author of the report, the Committee on Energy, Research and Technology, as the committee responsible, and the advisory committees that have worked in depth, have proposed a series of improvements for the completion of the programme. The Commission can accept all the amendments approved by the Committee on Energy and will in fact support them, if accepted by the House, at Council's next meeting on 19 December. The amendments in question are Nos 1 to 10. In contrast, the Commission cannot accept Amendments Nos 11 to 15, which were in any case not approved by the Committee on Energy.

Mrs Viehoff asked whether the Commission believes that Council, which meets on 19 December, will reach a decision on the Commission's proposal. It is, of course, a little rash for me to anticipate Council's decision, but the Commission does believe that Council too will share its opinion, and the opinion so clearly expressed in Parliament, that there is no time to lose, and will be prompt to decide upon our proposals — in other words, on 19 December.

Mrs Viehoff and Mr Estgen made more specific reference to the matter of safety. The Commission is con-

Contogeorgis

scious of the problems and its proposal provides for the taking of specific measures; more particularly, section 1 describes the activities to be carried out.

I would also recall that the Commission has prepared guidelines on genetics, which were accepted by Council two years ago, although I must, of course, accept that those guidelines are only a first step and by no means solve the problem in its entirety. The Commission will therefore produce a supplementary work in this connection as soon as it can.

Mrs Viehoff (S), rapporteur. — (NL) Mr President, I should like to thank the committee and colleagues for all the compliments they have paid me this morning. For my part, I should like to thank the Commission for all the material they supplied me, but especially — and perhaps this is not customary — my personal assistant, who worked under great pressure to analyse the material in order to make things easier for me. Then the group and the committee secretariat who helped me whenever possible and the colleagues who encouraged me and showed interest in my report.

President. — The debate is closed.

Explanation of vote

Mr Elliott (S). — I am going to support this report. It would perhaps be odd for a former food scientist not to support proposals for promoting an exciting new piece of scientific technology. Indeed, one of the last things I did for my former employers was to prepare a report on the commercial potentialities of biotechnology for their particular activities.

In any new development of this kind we have to give the maximum possible attention to the social consequences. I think it was a pity that Amendment No 14 by Mrs Bloch von Blottnitz, was narrowly defeated, because I believed it emphasized the need for these social precautions, I believe that we always need in any new developments of this kind to place the welfare of the people before commercial profit. Indeed, if biotechnology is to be a new industrial revolution we must seek to avoid the social evils which have accompanied earlier industrial revolutions. No one mentioned, for example, on the question of genetic engineering the risk of the development of new diseases against which there would be no safeguard.

I listened with interest to Mr Seligman's comments, and I had sympathy with them until he made some rather curious remarks about Socialists. All I would say is that one of the developments of genetic engineering has been to recreate more primitive species. I think developments must have proceeded a little fur-

ther than I realized, because there are so many of them amongst the Conservative parties.

(Parliament adopted the resolution)¹

5. Fisheries

President. — The next item is the debate on the proposals from the Commission to the Council (Doc. 2-1240/84-COM(84) 711 final) for

I. a decision on the conclusion of an Agreement in the form of an exchange of letters between the EEC, on the one hand, and the Government of Denmark and the Local Government of Greenland, on the other, concerning the provisional application of the Agreement on fisheries and the Protocol on the conditions relating to fishing, signed on 13 March 1984; and

II. a regulation laying down specific measures in connection with the special arrangement on fisheries applicable to Greenland.²

Mr Wijsenbeek (L). — (NL) Mr President, I put my question to the Council several months ago. Who could then suspect that there could now be problems with the fisheries agreements between the part of the Community which was about to leave, the Kingdom of Denmark and the Community? It is not really all that surprising in itself; by now the Council must slowly have familiarized itself with the ratification procedures in our various countries and may perhaps have had the slightest notion, and I am choosing my words very carefully, that there might well be some delay, particularly from that country which is once again dragging its feet. I say 'once again' because it is not the first time that the one country which has not yet completed the ratification procedure is bringing up the rear.

Mr President, this does not detract from the fact that the subject under discussion is indeed urgent, for if we fail to deal with this problem now, another fish-war may break out similar to that of several years ago when — I nearly said 'fortunately' — the United Kingdom was not yet a member of the Community and a fish-war broke out between the United Kingdom and Iceland. Such situations must be avoided at all costs, and that is why I also approve of the urgent procedure.

¹ The rapporteur spoke in favour of Amendments Nos 1 to 10, 14, 22 and 23 and against Amendments Nos 11, 13, 15 to 20 and 25.

² Also included in the debate was the oral question to the Council by Mr Wijsenbeek, on behalf of the Liberal and Democratic Group, on the progress of the negotiations with Greenland on its withdrawal from the European Communities (Doc. 2-1269/84).

Wijsenbeck

Mr President, may I now go deeper into the subject, for today, on this the last day of the plenary sessions of this year, we are witnessing a very sad state of affairs. For the very first time in history the Community is not becoming larger but smaller, indeed by a substantial part of the Community's territory. The surface area of Greenland alone is nearly half the size of the rest of the Community. Only a handful of people live there and there was a 52% vote in favour of leaving the Community. Something more than 46% voted against. Mr President, I think it is a very sorry state of affairs that such a small margin should swing the balance when they knew that this vote would entail such consequences, and that they did not say, 'Let's have a more wary relationship for some years with the Community but at least stay a member.'

However that may be, Greenland is leaving the Community and our predecessors also voted that way. I regret very much that Mr Lyng, whom I have come to know over the years as a real European parliamentarian, is leaving this House. Mind you, I wonder whether the President's statement at the commencement of this sitting, that the Danes have appointed a new member, is really in accordance with the regulations. I assume that the Committee on the Verification of Credentials will check this, because in actual fact Mr Lyng is occupying a Belgian seat which — as Mr Tindemans put it at the time — had been lent to the Eskimos. Perhaps it should now be returned to the Belgians.

Mr President, a final word. The Danes, who negotiated on behalf of the Greenlanders, appear meanwhile also to have certain difficulties with the European Community. I catch sight of Mr Fich, our rapporteur for the budget, who abstained in yesterday's vote. I would urge the Danes to consider seriously the step taken by Greenland. It has now emerged that it is possible to leave the Community. Perhaps that could be the answer for the Danes, and for us too, for then progress in the Community could perhaps be easier again.

IN THE CHAIR: MRS PÉRY*Vice-President*

Mr Lyng (S). — (DA) Madam President, following on the speech we have just heard, I should like to say very briefly that the Council is not responsible for the delay which has occurred in the ratification procedure. It is the national parliaments and the national governments which are responsible for this situation. This was foreseen last March, and on 13 March the Council of Foreign Ministers agreed that if the situation which we now have should occur, interim measures should be adopted. These interim measures in no way

differ from those discussed in this House. Therefore, there is no reason whatsoever to debate the issue since it has already been discussed, dealt with in committee and submitted to Parliament. A vote has been taken on it. I do not think that any more time should be spent on the matter. I naturally feel that it should be dealt with clearly and as quickly as possible. The matter was thrashed out fully when it was dealt with urgently at the committee meetings which took place here in Strasbourg yesterday, and it will be very embarrassing not only for us in Greenland but also for the European Community and, possibly, for its fishing interests in Greenland in January, February and March, if it is not adopted now. I therefore strongly recommend its immediate adoption.

Finally, Madam President, I should like to make a few concluding remarks and, at the same time, to express my thanks for the years I have spent in this Assembly. I should like to say to you, Madam President, and to my colleagues that there was a long period in history when Europe's attitude towards overseas countries and to the people living there was colonial and imperialist. This happened not so very long ago; scarcely a generation separates it from the present. Those of us who come from these countries know this very well. During that time, a deaf ear was turned to the political aspirations and demands of the colonial territories. It was even taken for granted that the political decision-making processes were the prerogative of the European centres of power. That has all changed now and we live in a different world. We are told that we are only a small people, that we only represent such-and-such a percentage, that we should be glad that we are only such a percentage since we are familiar with the overwhelming majorities, obtained under an entirely different form of democracy which we do not accept. We have no wish to be reproached for being a small people. There are many small autonomous peoples throughout the world who should not be deprived of their democratic rights simply because they are small. The small also have their rights, as we say in Danish.

This type of imperialism has disappeared. We have all come to realize that all overseas peoples, big or small, have the same right to self-determination as Europeans and that one has to adjust oneself to this fact. This is a perfectly good and reasonable development. No one in his right mind wishes to put the clock back, and it is certainly not the wish of this House to do so. It has fully understood that unless the wishes of the people of Greenland are respected, it cannot hope for reasonable relations between Greenland and the European Community in the years to come.

As the democratically-elected representative of my country, I should like to conclude by expressing my appreciation of the efforts which Parliament has made and the position it has adopted in this matter. Greenland is now leaving the EEC, but it is doing so in a spirit of cooperation, mutual respect and — I would add on my own behalf — friendship. I should like to

Lyngé

express my thanks for the excellent cooperation which this House has shown in the five-and-a-half years during which I represented Greenland here and, in conclusion, express in the language of my own people my wish for close cooperation in the future:

Suleqatigiinnissattinnut qilanaarluta tamassi inuulluarquassi:

(Loud applause)

President. — Mr Lyngé, on my own behalf — I am a member of the Friends of Greenland Club — and also on that of our Assembly, I wish to convey our best wishes to you personally and also to your country, the people of Greenland and the Inuit people.

(Applause)

You have decided in favour of more autonomy, and we can but respect a democratic decision taken in difficult circumstances and in a difficult world.

Over and above the trade agreements, which remain in force between the Community and Greenland, it is my most sincere wish that our cultural and personal links should continue to be cultivated between your country and our Community.

(Prolonged applause)

Mr Clinton (PPE). — Madam President, the fact that I intervened yesterday morning to protest against the manner in which this item came before the House may have given a wrong impression. I felt that it should not have come to us as a matter of urgency but that we should have had it sooner. I was making this protest mainly because of my concern that the relationship that we had with Greenland should continue in the future as in the past and that we should be given an opportunity of examining what was before us.

I said yesterday morning that I did not want to magnify this. I am sure that the Commission and the Council had fairly good reasons for delaying this item coming before Parliament. I do not think they need have delayed as long as they did. I am fully in favour of the Commission's proposals and I agree entirely with Mr Finn Lyngé. We discussed all this last March and agreed, and I hope that the good relations that have existed between us will continue in the future, regardless of the fact that Greenland has now decided to withdraw.

I would also like to express my appreciation of the Mr Lyngé's contribution to the whole fisheries question during his period here in the Community. As this is also Commissioner Contogeorgis' last part-session, I should like to thank him for his courtesy and cooperation at all times. He took on this fisheries assignment

at its most difficult stage, and the outcome has been very satisfactory on the whole. So I should like to thank you, Mr Contogeorgis, and wish you every happiness and success in whatever you decide to do in the future.

(Applause)

Mr Battersby (ED). — Madam President, in the last Parliament we had the closest possible cooperation with the Commission during the negotiations on the agreement on fisheries with Greenland, and the final document which was approved almost unanimously by this House earlier in the year was a model of consultation between Commission and Parliament. By the end of the last Parliament, we had achieved a situation in inter-institutional relations on fisheries where our opinion was normally requested by the Commission and the Council in good time. It had taken much time and patience to achieve this harmonious *modus vivendi*, and much credit for this is due to the hard work, cooperation and friendship of Commissioner Contogeorgis.

Today we are faced by a situation caused by delay in ratification by the Senate of one Member State, despite the approval of its national parliament and agreement by the Member State concerned in the Council in March. It is always a pity when internal disagreements at national level interfere with the smooth operation of the diplomatic processes of the Community. I accept that the Commission waited in good faith for a change in attitude by the Senate concerned before taking emergency action. However, we should have been kept informed as a parliament of the difficulties, and I hope that this lapse in normal procedure will prove to be an isolated incident. I strongly recommend that we approve the Commission proposal in order to avoid a potentially dangerous and confused situation on 1 January 1985.

Finally, on behalf of my group I would like to wish Finn Lyngé and all our Greenlandic friends a very merry Christmas and a happy and prosperous future in friendship and cooperation with our Community. In his own language I should just like to say *qujanaq*, and to Commissioner Contogeorgis I would say: *Sas efskaristo para poli dia tin voithia sas.*

Mr Bonde (ARC). — *(DA)* Madam President, on behalf of the People's Movement I congratulate Greenland on its increased independence and thank Finn Lyngé for his helpful cooperation. I hope that the rest of the Danish Kingdom will soon follow suit so that all Nordic countries may enjoy more individual and good-neighbourly relations with the EEC.

These proposals concerning the fishery agreement which we are considering today will cover the situation that has arisen, a Member State having failed to

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ratify the agreement in good time, and enable us to avoid an unnecessary cod war in Greenlandic waters. It would be quite absurd if innocent fishermen in Bremerhaven and those who process the fish there, or Greenland's Treasury were to be the victims of a few months' bureaucratic delay. I would therefore recommend that we vote for the proposals.

At the same time, I would ask the Commission and the Council of Ministers to devise methods to pay for fishery concessions as quickly as possible. Their rejection of the budget yesterday was not directed against Greenland, and it has never been the intention that the Treaty's provisions for rejection should lead to unexpected difficulties in respect of obligations towards third countries. Under international law the EEC is bound to pay for fishery concessions, and with a little goodwill legal ways and means will be found to have the money paid out — if by no other way, then by means of an advance from Member States or a special budget.

I would ask the Commission and the Council of Ministers to consider the transfer as a matter of urgency, since not a single Greenlander — indeed, no one outside this Chamber — would understand how our complicated budget rules could delay or prevent an ordinary deal in money or fish. I should certainly not get away with it if I went to a fishmonger to buy some fish and then looked into my purse and found that my wife had rejected my budget.

Mr Guermeur (RDE). — *(FR)* Madam President, on my own behalf, that of my group and also the Working-group on Fisheries, of which I have the honour to be chairman, I should like to say how gratified I am that this agreement should have been adopted. It is an illustration of the extreme liberalism that exists in our Community, since it is possible, in fields of such fundamental importance as fisheries, to maintain excellent relations even when some, ladies and gentlemen, decide to become independent.

I should also like to take this opportunity of joining those in the Working-group on Fisheries who have offered Mr Contogeorgis their best wishes for the future. I have not forgotten that our Commissioner was in office during the moment of extreme difficulty that we had to live through when setting up a common fisheries policy, and I wish to say how grateful we are for his exertions on that occasion: you, Madam President, are aware of this more than anyone else. We wish him the best of luck for the future.

If you will permit me, Madam President, I should like during this sitting — and I hope he will excuse me if this is not entirely in accordance with protocol — to invite him, before he leaves the Commission, to visit the Working-group on Fisheries, where we shall have an opportunity of wishing him farewell in a suitable manner. He will also have an opportunity of convey-

ing to us a few parting words before leaving the Commission, with, perhaps, some ideas and advice for us who will be continuing our work in this field. That is my wish. Once more, I hope he will excuse me for expressing it in this unconventional manner.

(Applause)

President. — Mr Guermeur, you have my entire support.

Mr Contogeorgis, Member of the Commission. — *(GR)* Madam President, I would first ask to be allowed to thank all those Members who spoke kindly of me, and for my part, to say that if we were able to establish a common fisheries policy, this was due in very large measure to Parliament's contribution, and especially that of the Subcommittee on Fisheries, with which the Commission and I personally worked very closely. As you yourself know, Madam President, the help given by Parliament towards that end was invaluable, and I too would like to thank all who contributed to that achievement.

On the subject of Greenland, I should like to say that in March, when the Treaties were amended to allow the withdrawal of Greenland, the Governments of the Member States made a declaration concerning what would happen in the event that ratification did not take place before the end of this year so that the situation envisaged following the amendment of the Treaties could be established by 1 January.

By the end of November, the Commission was persuaded by the information available to it that ratification would not be completed before the end of December, and consequently submitted to Council these proposals for a decision and a regulation, which would on the one hand allow fishing by Community fleets to continue in Greenland's waters, and on the other hand regulate the situation concerning imports to the Community of fishery products from Greenland.

We shall have to see what is to become of the 26.5 million ECU that we asked should be earmarked in the 1985 budget. Unfortunately, the non-approval of the budget raises questions concerning the availability of that money. Legally the Commission cannot make the money available, because working with twelfths from 1 January it must restrict itself to the appropriations specified in last year's budget. Thus, this becomes a more general matter which also affects other cases in which new sums have been set aside in the budget. We must see how to deal with this situation.

Concerning the decision and the regulation, a Fisheries Conference will take place on the 19th of this month and these matters will be on the agenda. We shall also have Parliament's opinion today, which is

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essential, and I hope Parliament will look favourably on these two proposals by the Commission.

Madam President, I should like to tell Mr Guerneur that I accept his invitation. We will get together so that one day next week I can attend the fisheries subcommittee.

(Applause)

President. — The debate is closed.

(Parliament approved the proposal for a decision and the proposal for a regulation in succession)

6. Customs territory of the EEC

President. — The next item is the proposal from the Commission to the Council (Doc. 2-1242/84 — COM(84) 723 final) for a regulation amending Regulation (EEC) No 2151/84 on the customs territory of the Community.

Mr Rogalla (S). — *(DE)* Madam President, I run the risk of angering my colleagues if I use all of my three minutes' speaking-time, and I do not wish that. May I announce here, however, that I, like you, am a member of the European Parliament-Greenland Association, even if only for the past five minutes.

I rise to speak not intending to influence the course of history and stop Greenland leaving the European Community, although I personally regret that move very much. But that is politics. If one wants to make a point, one must grasp every opportunity to hammer it home. That is why I wish to take this occasion to express my doubts as to whether the Commission's proposal before us will achieve the desired aim. I think the two recitals given are contradictory, for the first one talks about interim measures being taken and the other one — if I am not mistaken — about a decision to reduce the customs territory of the Community by Greenland.

If it is to come into force on 1 January, then it must of course be ratified first of all, and that in particular is put in doubt in the first recital.

But my main point is that we must start talking with the Commission about the implications of laying down the boundaries of the customs territory of the Community, particularly as regards the existence of other so-called 'small-state' customs territories of the ten Member States *besides* the customs territory of the Community. That is the legal situation. This anomaly is based on the argument that 'customs territory' still has some meaning as there are still customs duties for the ECSC.

I should like to leave it at that. It is a difficult legal problem to which we in this House must turn our attention, as the Commission has in 26 years unfortunately not managed to sort out this legal anomaly. Thank you and good luck for this future task!

President. — The debate is closed.

Explanation of vote

Mr Herman (PPE). — *(FR)* I am not supporting the texts that have been proposed because I have no wish to be associated with a decision or other act which in history, above all to later generations, will appear as ridiculous and incomprehensible as Louis XV's remark when he declared that Canada was no more than 'a few acres of snow'.

(Parliament approved the Commission's proposal)

7. Extraction solvents (contd)

President. — The next item is the continuation of the debate on the second report by Mrs Squarcialupi (Doc. 2-1134/84).¹

Mr Collins (S). — Madam President, I must say that I find it extraordinary on this Friday before Christmas to be able to bring good tidings of great joy to this Parliament in the form of a little lecture on the nature of technical adaptation committees. I cannot think of anything more fitting for this time of year. None the less, it is an important point, though it may be a bit obscure.

The position as I understand it, Madam President, is this. The Commission from time to time uses technical adaptation committees in a way that I think this Parliament does not always agree with. Quite simply, the committees are there to adapt existing legislation to technical progress. However, it has been the view of both the Committee on the Environment, Public Health and Consumer Protection and the Committee on Legal Affairs and Citizens' Rights for some time now that it is possible for the Commission to misuse this arrangement and instead to secure policy changes unknown to Parliament and unknown to the European public. Now if this Parliament serves any purpose at all, it is surely the open scrutiny of the legislative processes of the Community. It is about scrutiny and it is about criticism. But if these technical adaptation committees are used, then the legislative process is not open to scrutiny and it is not open to criticism. Things can be swept under carpets and things can be pushed

¹ See the previous day's debate.

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into dark corners. That, we say, is wrong. It is up to this Parliament therefore to assert the rights of the citizens of Europe openly.

We see, therefore, a danger of policy change by the backdoor. We have a problem, I think, this morning, because on the face of it what we are presented with in the Squarcialupi report is a perfectly reasonable proposal. I want to make it quite clear that I would like the Commission to accept our proposals on the procedures to be used in technical adaptation committees. I would like to see the Commission concede this. It would be a very Christmassy gesture and I think it would also be a gesture which would be much appreciated by the people to whom they are ultimately responsible — that is to say, the people out there in Europe, the 270 million citizens of Europe who will be excluded unless Amendment No 7 goes through. So I think we are in some difficulty over whether to give them this proposal as a Christmas present or to take it off the agenda and create further crisis in order to assert our position on this point.

So I do commend these amendments and if we do not get them through this morning, I would warn the Commission that this Parliament will have to consider other ways of asserting its position on this matter.

Mrs Lentz-Cornette (PPE). — (DE) Madam President, the EPP group rejects this directive for three reasons. First, the amount of bureaucratic work involved in the legislative process is completely out of proportion to the effect.

Secondly, we do not think that proper supervision of this directive can be guaranteed with any degree of certainty.

Thirdly, this directive covers things which do not need to be covered by a directive. For example, a foodstuff which can be freely marketed in any quantity must, if it is used as an extraction solvent, be passed for marketing, as stated in Article 3 (1) and Article 2 (3).

We think the Community is turning itself into a laughing-stock with such proposals. If Parliament does not agree with us, then we shall vote in favour of the committee procedure proposed in Article 8 by the Committee on Legal Affairs and Citizens' Rights. For the rest, we shall vote against the directive and against the motion for a resolution.

Mr Prout (ED), draftsman of the opinion of the Committee on Legal Affairs and Citizens' Rights. — On Monday, 21 May, Parliament adopted the motion for a resolution contained in the Tyrrell report (Doc. 1-205/84). This resolution called upon the Commission to transmit all future delegated legislative measures upon which it currently consults technical adaptation committees to the European Parliament and to await

the opinion of Parliament before either adopting the measures themselves or submitting them to the Council. It also stated that the Parliament 'Instructs its committees to have particular regard to the present resolution in examining future Commission proposals for legislative measures.'

Bound by this instruction, the Committee on Legal Affairs and Citizens' Rights had no option but to table an amendment to Article 8 of the Commission's draft directive which the Committee on the Environment, Public Health and Consumer Protection has adopted as its own Amendment No 7.

Technical adaptation committees are composed of officials from each of the ten Member States presided over by a Commission official. A favourable opinion of such a committee allows the Commission to enact measures of considerable economic and political significance without Parliament's being given an opportunity to amend or even comment. It is for Parliament in public, and not national civil servants in secret, to supervise the work of the Commission.

The Commission have so far opposed our amendment for two reasons. First, because it will cause extra delay and second, because it represents an extension of our existing powers. Both are groundless. As to delay, the procedure we recommend would take some six months to complete. Contrast this with the years it sometimes takes technical adaptation committees to reach a decision! The amendment, moreover, does not assert a right to legislative powers which we do not yet have.

The delegated legislative power of the Commission is an exercise of its executive and not its legislative authority. Accordingly, it falls within the scope of Parliament's general supervisory and not its specific advisory powers of control. The Commission has the constitutional power to accept Parliament's amendment, but so far it has lacked the political courage to do so. Yet in this matter our institutional interests are identical and would be equally well served by the amendment. You would reclaim executive powers which you needlessly and foolishly gave to the Council but which are rightly yours by virtue of Article 155 of the Treaty! We at last would be able to fulfil our constitutional duty to supervise the executive powers of the Commission. Hitherto, by denying yourselves the right to be the Community's executive, you deny us our right to supervise you.

Mr Maher (L). — Madam President, I must say that I regret that a question of this kind is being discussed when the hemicycle is so depopulated: 11.30 a.m. on a Friday morning is just as important as 11.30 a.m. on a Tuesday or Wednesday or Thursday. I think, unfortunately, too many parliamentarians do not recognize that.

Maher

Whenever we discuss questions related to food, which after all is the first and greatest necessity of life and contributes greatly to our human welfare, I think the occasion is an important one for this Parliament. I regret and deplore that when this question was being examined, one of the committees in this House, the Committee on Agriculture, Fisheries and Food, had no opportunity to express any view whatever, even though it is the committee responsible for food. Of course I do not in any way deny that the Committee on the Environment, Public Health and Consumer Protection and the Committee on Legal Affairs and Citizens' Rights should have a point of view. I am not saying in any sense that they should not. I believe they should and I support that view. But I believe that many of those in the Committee on Agriculture, Fisheries and Food are concerned directly in the production of food and also in the processing of food. When we are dealing with questions like the use of solvents in the extraction process in the processing of food, I think it is very important that the people who are involved in food production should be able to make a contribution. Unfortunately, they have been ignored.

Having said that, I must say that I support any move towards producing food in whatever way possible that is more healthy and gives us a better possibility to lead a healthy life and a longer life. It is true that sometimes short-circuit methods are used, sometimes additives are used, sometimes materials are used which, in fact, lessen the quality of the food or the wholesomeness of the food. But if we are to have better food, it must sometimes be more expensive food because we have to use more expensive methods. I think this Parliament, when it considers the high prices that have to be paid for food, should bear that in mind. If you want food of good quality you must be prepared to pay for it. I am amazed when I go into a health food shop to find that people are prepared to pay twice the price for certain food items than they are prepared to pay in the ordinary shop or supermarket just because they are sold in a health food shop and produced in a certain way.

Mr Contogeorgis, Member of the Commission. — (GR) Madam President, during Parliament's part-session last May my colleague Mr Narjes referred extensively to the Commission's proposal and to the need for it to be approved. I shall not repeat all the arguments put by Mr Narjes. I would, however, like once again to convey the Commission's appreciation to the rapporteur, Mrs Squarcialupi, for her espousal of the proposal's principles and for her detailed examination of its practical application.

Parliament will doubtless remember the Commission's eagerness at that time to accept most of the amendments tabled, and I can assure you that we are still quite willing to do so. The Commission accepts Amendments Nos 1, 2, 3, 4, 6, 8, and 11. Unfortunately, the Commission cannot accept Parliament's wish

to remove additive substances from the field of application of the directive. I refer to Amendment No 15. Neither can it agree to the deletion of some points in Article 10, according to which the directive will not apply to exports. The Commission is convinced that since most extraction solvents sold as such are not available to the public, there is no need to insist that the relevant information should be printed on the labels of such solvents in one or more languages. For this reason the Commission does not accept the amendment to Article 9 requested by Parliament.

I now come to what is perhaps the most important point — namely, whether Parliament's opinion should be sought concerning technical adaptations. Unfortunately, the Commission cannot accept the proposals of the Legal Affairs Committee, even in their form as amended by the Environmental Committee, in which it is proposed to seek Parliament's opinion over the technical adaptation of the directives. In fact, the Commission believes that such a procedure presupposes an essential element of flexibility in the adoption of measures with a clearly technical character. Otherwise time will be wasted. As I have repeatedly said and as the Commission stated during the day before yesterday's debate on pollution by car exhaust fumes, the Commission would be very willing to dispense with the procedure of technical adaptation committees in the case of modifications which are not solely of a technical nature but possess wider political significance.

President. — The debate is closed.

(Parliament approved the Commission's proposal)

Mr Prout (ED), draftsman of the opinion of the Committee on Legal Affairs and Citizens' Rights. — Madam President, I would like at this juncture — before we go on to vote on the motion for a resolution — to remind the rapporteur that she now has a constitutional duty to ask the Commission whether it accepts Parliament's amendments to its proposed legislation. She must give the House an opportunity to vote on reference to committee, whatever her own views are about the matter.

Mrs Squarcialupi (COM), rapporteur. — (IT) Madam President, the path of this directive has been strewn with serious difficulties. Moreover, even though the Commission has on a number of occasions refused to accept this amendment, we have continued to put it forward. I now leave the decision to the House. We have already discussed this matter many times and we shall have to continue to fight our case, particularly with the new Commission. Personally, I would not be in agreement with sending it back to committee, because the report has already been held over a number of times.

Mr Collins (S). — My point of order is quite simply that I think we are missing the point entirely, Madam President. The point is that the Commissioner must now rise to his feet and tell the House quite clearly and unequivocally whether or not he is going to accept these amendments. Until he does that, this House has no real official knowledge of his position. So let us hear it from him!

Mr Contogeorgis, Member of the Commission. — (GR) I have already stated which amendments are acceptable to the Commission. More particularly, I have explained that the Commission cannot accept Amendment No 7 because it believes that to call for Parliament's opinion on the adaptation of technical directives would deprive the Community of an essential flexibility. I also said that the Commission will limit the implementation of this practice to technical matters, but that if matters of wider political significance are involved, then the Commission will not make use of the technical committee procedure. The Commission's position remains unchanged on this point.

Mrs Squarcialupi (COM), rapporteur. — (IT) Madam President, I am against sending it back to committee. I would ask that this report be adopted, since the Commission will then have to face up to the fact of this vote. There will be other opportunities to go into this whole matter again, but we cannot block a directive simply because the Commission says 'no' to one article.

Mr Herman (PPE). — (FR) I wanted to invoke Rule 36 and ask that the matter be sent back to committee.

(Parliament rejected this request)

Explanations of vote

Mr Eyraud (S). — (FR) Madam President, I am entirely in agreement with everything that serves to protect the consumer, but, echoing Mr Maher, I regret that the Committee on Agriculture has not been consulted. It is, after all, the committee not only on agriculture but also on food. Consequently, when this Parliament deals with problems of this nature, it is the Committee on Agriculture that is competent. I should like this to go down in the Report of Proceedings.

Mr Collins (S). — I asked for the floor, Madam President, because, frankly, I think the Commission's attitude this morning has been wholly inadequate. I think it is a shame that when they come to the end of their four-year term of office they should still come along here on a Friday morning and talk such utter twaddle. They come in here with sad, weak, pathetically wide-of-the-mark statements. They come in here

and say that if they adopt Amendment No 7, somehow or other there will be delays. This Commission talks about delays! This Commission which has been characterized by delays. If there is one single word which could sum up the whole pathetic performance to which we have been subjected over the last three or four years by this Commission, it is that word delay. And yet the Commissioner comes in here and talks this utter nonsense. I do know who writes his speeches for him, but, my goodness, I hope he changes pretty quickly.

I shall vote for this resolution, though not with any enthusiasm, because I think this is an important constitutional point. I think the Commissioner this morning does not understand it. He has been given a very bad brief. I shall vote for it. But I warn the new Commission that we shall bring this back on the floor of this House and we shall force a decision sooner or later on this matter. It is very important. This Parliament is for rolling back the carpet and pointing out what has been swept underneath. It is for casting the light into the dark corner and letting people see what the Commission is burying there. We are determined to pursue this. It is our constitutional right, and it is the right of the people of Europe to know.

Mr Prout (ED), draftsman of the opinion of the Committee on Legal Affairs and Citizens' Rights. — I abstained in the vote on whether to send this back to the committee or not, not only because I was bound to do so as draftsman for the Committee on Legal Affairs and Citizens' Rights, but also out of respect for Mrs Squarcialupi, who has had a remarkably difficult task as rapporteur. She has been presented with a conflict between the advisory powers of Parliament, i.e., its responsibility to see that legislation is amended and properly passed, and the supervisory powers of Parliament, i.e., Parliament's right to control the Commission as an executive.

I share entirely Mr Collins' views. I think the Commission's attitude is contemptible. If it shows no interest in asserting its own constitutional powers against the Council, what hope have we of subjecting the Council to democratic control? We can only be effective as an institution if we work together with them. But we need their help just as much as they need ours. If we do not work together on the control of delegated legislation, everything we do with regard to primary legislation in this House will be meaningless. The Commission came in like a lamb in January 1981 and is going out like a lamb in December 1984. Good riddance! Let us hope its successors do at least a little better.

Mr Herman (PPE). — (FR) I share the views expressed by most of my colleagues, who find that the Commission is not replying to their questions. At the same time, however, by voting as they are about to do, they deprive themselves of the sole means we have of

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putting pressure on the Commission to change its mind. We cannot rise up against the Commission and reproach it with not acting as it should and, at the same time, deprive ourselves of the weapon still left to us.

(Applause)

My wish is that we should all vote against the resolution.

Mr Contogeorgis, Member of the Commission. — (GR) As I have been informed that some difficulty has arisen with the translation, I will read out in French what I have already said in Greek regarding the Commission's position:

(FR) The Commission considers that this procedure is an element of flexibility which is essential for the adoption of measures having a strictly technical character, since it is exclusively a matter of modifying the annexes to the directives. As the Commission has already stated and as it has already shown with regard to emissions of exhaust gases, it is determined to renounce this procedure of adaptation to technical progress wherever a modification has important political implications.

Mr Collins (S). — On a point of order, Madam President, in view of the Commissioner's statement just now in French, is it in order for this Parliament to listen to the same rubbish in several languages? Is that part of the Parliament's duty?

President. — Mr Collins, that was not a point of order.

(Parliament adopted the resolution)¹

8. Question Time

President. — The next item, as decided by Parliament yesterday morning, is the continuation of Question Time for the Commission.

Question No 6, by Mr Seligman (H-243/84):

Subject: Withdrawal and destruction of large quantities of citrus fruit

In view of the serious damage to the large Florida citrus crop and the world shortage of citrus available for processing into juice; will the Commission urgently examine an alternative regime for citrus which will avoid destroying large quantities of

Italian citrus fruit merely because the market price does not reach the stipulated Community level; cannot a two-level system be devised to give direct subsidies to the producer, which could replace the present system of subsidies to the processor, which costs the Community and the processors many unnecessary millions of ECU?

Mr Contogeorgis, Member of the Commission. — (GR) The Commission shares the Honourable Member's concern over the quantities of citrus fruits withdrawn from the market during the trading period 1983-84 not only in Italy but in Greece as well. However, the Commission has not yet received information about how the products withdrawn were used in accordance with Article 21 of Directive 1035/72, which provides for a number of alternative uses. Thus, it is perhaps a little premature to say that all the fruit withdrawn was destroyed. Besides, the Commission believes that it would be difficult to establish a system of direct subsidy for the producer, because of the large number of producers and the possibility that contraventions would occur in the implementation of such a system.

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President

Mr Seligman (ED). — I think the Commissioner is saying that he does not know what is going on, and I think that is probably true.

Is it not a scandal that 65 000 tonnes of class-three Sicilian citrus fruit suitable for fruit juice has been destroyed unnecessarily because of Directive 1035/72 when the world market and the starving world are crying out for citrus juice? Producers, I believe, prefer to sell their lemons for high intervention prices rather than sell it to the processors. Worse, I understand that lorry-loads of rejected fruit are being recycled and drawing subsidy three or four times. They just go away and come back again, and we are paying for all that. The Commission is paying something like 20 m ECU a year in this intervention scandal. The whole thing smells, and it should be investigated by the Committee on Budgetary Control.

Is the Commission prepared urgently to reconsider this régime before the same problem happens in Spain and Portugal? Is the Commissioner prepared to meet a group of interested parliamentarians to discuss the matter in detail, or will he commit his colleague, Mr Andriessen, to do so early in the New Year?

Mr Contogeorgis. — (GR) I referred to the point in the question which says that 'large quantities of citrus

¹ For an item concerning written declarations under Rule 49: see Minutes.

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fruit were destroyed'. And I said that Directive 1035/72 provides for various alternative uses apart from destruction, for example the production of juice. I said that the Commission does not yet have the full facts and figures concerning the use of the citrus fruit withdrawn. Thus, it is premature to say that it was all destroyed. That was what I said.

Mr Seligman (ED). — Can I ask him whether he is prepared to call a meeting of parliamentarians to consider the subject in more detail? He did not answer that question, which was my main question.

Mr Contogeorgis. — (GR) I trust that my colleague Mr Andriessen, who will be the competent Commissioner for agricultural matters on the next Commission, will be happy to meet and discuss the matter.

President. — As their authors are not present, Questions Nos 7 to 10 will be answered in writing.¹

Question No 11, by Mrs Oppenheim (H-275/84):

Subject: Atmospheric pollution

It cannot be denied that some damage to the environment recorded in Western Europe, particularly West Germany, is due to atmospheric pollution caused by industrial undertakings in Eastern Europe, especially Poland and Czechoslovakia.

What action does the Commission intend to take in this connection?

Mr Contogeorgis, Member of the Commission. — (GR) Negotiations with the Comecon countries concerning the reduction of atmospheric pollution in the wider European climate zone are taking place in Geneva under the United Nations Economic Commission for Europe. On 15 November 1979, the Community, its Member States and all areas represented on the Economic Commission for Europe signed an agreement relating to extensive atmospheric pollution that exceeds the permitted levels. On 15 July 1982, and following a relevant decision by Council on 11 July 1981, this agreement was ratified by all the Member States and came into force on 16 March 1983. One of the basic principles of the agreement is that the contributing areas must restrict atmospheric pollution and where possible eliminate it.

To this end, and within the framework of the agreement in question, meetings for the exchange of information and projects of research and monitoring are being undertaken to develop policies and strategies that will help combat the emission of pollutants into the atmosphere. Account is also taken of efforts already made at national and international level.

Mrs Oppenheim (ED). — (DA) As far as I have understood the Commissioner, unhappily there is no specific progress that can be made in connection with these major problems. I understand that there are a number of bodies and committees where these questions may be raised. In my view this is not just an environmental question, but to a large degree has to do with industrial competition between the EEC and other countries. Can the Commission say whether it is possible to put even more pressure on the East-European countries to remedy this state of affairs?

Mr Contogeorgis. — (GR) I will bring that question to the attention of the competent colleague, and I imagine it will be the new Commission which will answer on the matter.

President. — As their authors are not present, Questions Nos 12 and 13 will be answered in writing.¹

Question No 14, by Mr Christodoulou (H-284/84):

Subject: Community financing for the projects of the five-year Greek programme

In May 1984, the Greek Government submitted to the Commission a package of industrial and infrastructure projects to be financed by the European Community. These projects relate to the five-year economic and social development programme. At the Budget Ministers' meeting on 20 July 1984, the Council decided to enter a special item in the Community draft budget under the title 'Five-year Greek programme', with a p.m. against appropriations for commitment and payments.

Following the Council's adoption of the draft budget for 1985, can the Commission state how and when it intends to implement the relevant article of the draft budget which refers to the financing of the projects of the five-year Greek programme and, in particular, indicate whether the proposed Community finance is to be forthcoming from existing structural funds or whether additional finance (either in the form of loans or a grant) is to be sought over and above that provided for under the Community's existing financial instruments?

Mr Contogeorgis, Member of the Commission. — (GR) In replying to the Greek memorandum of March 1983, the Commission stated, in connection with the more important programmes of investment within the framework of the five-year plan for economic development in Greece, that it would examine in a favourable spirit any application submitted officially by the Greek authorities taking into account the cri-

¹ See Annex on Question Time.

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teria relating to aid granted by the various financing organs and the various common policies. Moreover, for more important programmes not eligible for aid under the integrated Mediterranean programmes, or for other special cases of aid mentioned in the Commission's statement, the Commission will examine the possibility of applying special measures to supplement the aid that can be provided by the Community's funds. If need be, it will submit proposals to Council for special measures that will remain in force for four years at most. The Commission has already given an answer to that effect.

The programmes to which the question relates were submitted by the Greek Government at the end of May 1984. It was necessary to ask for certain additional information, which was supplied to the Commission towards the end of July 1984. The matter is being considered by the Commission, and decisions on it are expected very shortly.

Mr Christodoulou (PPE). — (GR) It surprises me to find that in some way the Commissioner is evading a specific reply. I put the same question to the President of the Council, and he too answered that Council is entirely unaware of the matter, and is awaiting proposals from the Commission.

In the meantime, we are in the third year of the five-year plan, and if we go on that way the five years will come to an end and these proposals will have to be carried over to the next five-year plan. I say this, in particular, because of the statements made a few weeks ago by Mr Roumeliotis, the Greek Under-Secretary for the National Economy, when he announced officially and in considerable detail that the Commission would produce proposals for financing major infrastructural works in the sectors of transport, industry, energy and research, with Community contributions amounting to 600 million ECU. This participation will amount to 70% for the transport works and 40% for the remainder.

I therefore ask the Commission, are these figures correct? Are the proportions mentioned by the Greek Under-Secretary for the National Economy correct? And when will the Commission finally produce its proposal? These matters are being represented in Greece as already accomplished, while here we find they are still under discussion. As I said earlier, it makes life very difficult when a five-year plan is about half-way through and we still do not know specifically what is going to happen.

Mr Contogeorgis. — (GR) I think I have already answered Mr Christodoulou. The Commission will look into the matter very shortly, now that the file has been built up completely, which took some considerable time.

As for the answer Mr Christodoulou received from the President of the Council, that reply was also correct of course, because Council has not yet received the Commission's proposals, and consequently knows nothing about the matter. I repeat that the Commission will reach a decision as soon as it can.

Mr Hutton (ED). — Would the Commissioner say whether the Commission has obtained an independent economic assessment of the viability of the investments in all the projects for which the Greek Government has requested support so that Parliament and the taxpayers can be convinced that funds are being purposefully used in accordance with Community regulations? If such an assessment has not been ordered, will he assure this House that one will be made?

Mr Contogeorgis. — (GR) The viability of a project that the Community is to support is a presupposition for the granting of any such support. Consequently, any projects that the Commission decides upon very shortly, it will by implication already have judged to be viable.

Mr Avgerinos (S). — (GR) I would like to ask the Commissioner, so perhaps helping him to answer the questioner, whether in fact what was stated by Under-Secretary Roumeliotis is identical to what was said by Mr Burke. I imagine the Commissioner must know this.

Mr Contogeorgis. — (GR) In this Chamber I can only speak about decisions taken by the Commission and not about the preliminary stages, i.e., before these decisions are taken. The statement referred to obviously concerned such preliminary stages.

President. — As its author is not present, Question No 15 will be answered in writing.¹

Question No 16, by Mr Flanagan (H-299/84):

Subject: Social Fund aid for North-South programme for the disabled

Has the Commission examined the findings of a conference held in September at Newcastle, Co Down, on the rights of the disabled and the need to protect them against discrimination, and in particular will the Commission indicate in what way the Community could assist the call at this conference for a North-South programme for the disabled which would be supported by the European Social Fund?

Mr Contogeorgis, Member of the Commission. — (GR) In its guidelines on the management of the

¹ See Annex on Question Time.

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European Social Fund, the Commission gives priority to programmes undertaken in common by the two Member States. So far as that is concerned, the programme that the United Kingdom and Ireland decide to submit on behalf of the handicapped, which should conform to the rules of the European Social Fund, will indeed receive priority.

President. — As their authors are not present, Questions Nos 17 to 20 will be answered in writing.¹

Mr Patterson (ED). — On a point of order, Mr President. We have now come to the end of the questions which were carried over from the last Question Time. A large number of the questioners are not present.

Could I ask, first of all, how many of these are going to be carried over to the next Question Time and secondly, is there any limit? Can these people just turn up time after time, their questions always going to the top of the list for the next Question Time? Should there not be a cut-off?

President. — According to the rule followed so far, if the author of a question is not present, he receives a written answer from the Commission. It therefore does not come up at Question Time during the next part-session unless its author specifically requests that this be done.

Mr Patterson (ED). — My question to you, Mr President, was: how many authors of the questions with the little star against them, indicating that they were carried over from the last Question Time, having failed to turn up today, have asked that they be put onto the next Question Time?

Is there any limit to the number of times they can do this?

President. — The principle is that they are answered in writing. That is clear.

Naturally, I cannot prevent the authors of questions from asking that the question be retabled; but the normal practice is that if he is not present, the author receives an answer in writing, and this is normally the end of the matter.

Mr Elliott (S). — Mr President, further to that point raised by Mr Patterson, I think he is a little mistaken in thinking that that was the last of the questions starred, there are others that I notice and I would agree with his remarks.

Could I ask, however, if a Member who has put a question is not present whether it is permissible for him to ask another Member to take charge of that question on his behalf?

President. — Yes, he may do so provided he makes his intention clear in writing before the sitting begins.

Question No 21, by Mrs Cinciari Rodano (H-359/84):¹

Subject: The situation of women in developing countries

Can the Commission tell the European Parliament whether the next Lomé Convention will contain a section on the situation of women in developing countries and, if so, what its general tenor will be, and can it specify what topics in particular would be covered by this section, which, according to press reports, would be subsumed under the wider heading of socio-cultural cooperation?

Mr Contogeorgis, Member of the Commission. — (GR) I would like to say that under the conditions decided upon for today's Question Time, there was not enough time to translate all the answers, but only the first 20. I can, however, submit to Parliament all the remaining answers in the languages in which they were formulated. That, too, was the view of my colleagues who were here when it was decided to hold a Question Time today — namely, that oral answers should be given only to the first 20 questions. For the remaining questions I shall submit written answers.

President. — I note the Commissioner's statement.

Mr Patterson (ED). — Mr President, that is absolutely ridiculous. Question Time, on our agenda, is to last for one-and-a-half hours. Question Time has not lasted for one-and-a-half hours yet, and is the Commission really telling us that they had not prepared enough answers in order to continue Question Time for one-and-a-half hours? That is unacceptable, Mr President, and I hope you will put that to the new President of the Commission.

Mr Contogeorgis. — (GR) Today's agenda allowed 30 minutes for Question Time, and not one-and-a-half hours; moreover, the decision to hold a Question Time at all today was made under exceptional circumstances, and the technical prerequisites for the Commission to answer all the questions were not available, so that we could only cope with the first 20. Despite this, written answers are available and I shall deposit them with the Presidency.

¹ See Annex on Question Time.

¹ Former oral question with debate (0-18/84), converted into a question for Question Time.

Mr Barrett (RDE). — How many answers did the Commission have prepared for Tuesday evening? Only three questions were answered here on Tuesday evening as far as I remember. Now we are at Question No 22, which makes a total of 25 at the present time. Did they have more than 25 replies prepared in the different languages on Tuesday for a session of one hour and a half?

Mr Contogeorgis. — (GR) On Tuesday afternoon the Commission was in a position to answer all the questions, and as we know the following procedure has been established: namely, that the materially responsible Commissioner should answer in each case. And these answers were prepared in the language that each of them speaks. Since it was decided, exceptionally, that there should be a 30-minute Question Time, and since as is known the Commission is represented by just one Commissioner on Fridays, or two at the most, and on this particular occasion my colleague Mr Haferkamp, who was to have been here today, could not appear because he has a meeting today in Brussels with an American delegation from Mr Shultz, it would have been necessary to translate all the answers into Greek, and in the event only 20 were so translated. That was the extent of the technical facilities available. We thought that 20 questions would cover the half-hour period set aside for Question Time. However, most of the Members who submitted those 20 questions were unfortunately absent, and this left a gap. It is all too easy to be critical in such circumstances and to ignore the burden carried by the services and by all the members of the Commission. And Mr President, on behalf of the Commission let me say that such criticism is unacceptable.

President. — Mr Commissioner, if I have understood aright, you stated just now that you could give the answer in a language other than Greek, and in my view that would be the best solution.

We know, of course, that Greek is your mother tongue, but we also know that you have a command of other languages. There is no rule stipulating that Commissioners' answers must be given in their mother tongue.

Mr Contogeorgis. — (GR) Unfortunately I do not speak Danish, Flemish or German. I told you that each answer was formulated in the language of the competent Commissioner, who was to deliver it.

President. — But you speak English!

Mr Contogeorgis. — (GR) If an answer was to have been given by Mr Andriessen, it is formulated in Flemish. If it was to be given by Mr Dalsager, it is in Danish,

and if it was to be given by Mr Narjes, it is in German; and I don't speak German.

Mr Prag (ED). — I understand the views of some of my colleagues in this matter, but I do think that if this Parliament itself were to take Question Time more seriously and to use it as a means of extracting information on which it could base some of its activities and pursuing the Commission more diligently, and were not to push Question Time around to all kinds of curious parts of the week, then the Commission might take Question Time more seriously too.

Dame Shelagh Roberts (ED). — Mr President, being full of the spirit of goodwill at Christmas-time, I think that perhaps we ought to put the Commissioner out of his misery. However, I would like to put a request to you that the Bureau should look at this matter.

I am one of those who had a question tabled for Question Time this week, and had we had the full one-and-a-half hours on Wednesday, I do not think for one moment it would have been reached, but the customary procedure is that if I had not asked for it be carried over to the next part-session I should have received a written reply, in my own language, before I left Strasbourg today. Now what has gone wrong with that arrangement? May I ask the Bureau to look into this, please?

Mr Guermeur (RDE). — (FR) I shall not start sniping at the Commission officials, who have undoubtedly done all that was possible to meet Parliament's wishes, but I should like to raise another point.

The point of Question Time is, of course, that each question should get an answer from the Commissioner, but it is also to enable each Member to explain, fairly briefly but fairly fully, the overall thrust of his question which could not perhaps be equally well brought out in the document that we have all received. Now I can quite well understand that the Commissioner is not in a position just now to give us answers, as he himself explained. However, there is no reason why Members who have made the effort to be present here should not be able to give a detailed explanation of their question at this point. This would enable the Commission to give a more precise answer when it got around to doing so in writing.

Mrs Jackson (ED). — I do not know that I am full of the spirit of goodwill. I would have thought that the way out of this was for Mr Contogeorgis, if he does not read Flemish, to hand the answers that exist to one of his multilingual officials to read the original answer. We can then make use of the highly paid and extremely efficient translators and interpreters whom we have here to ask our supplementaries. After all, the Commission is a collegiate body, so that Mr Conto-

Jackson

georgis ought to be able to answer our supplementaries on whatever subject.

Mr Clinton (PPE). — I readily understand the Commissioner's problem here this morning. There is one thing I cannot understand. There have been many occasions on which I wanted a question answered. I did not mind very much whether it was answered in writing or orally. Of course if it is answered orally, it is much better. One has an opportunity to pursue it still further with supplementaries. Is there any reason — and I ask you this as President of Parliament — why, no matter how many questions are on the agenda for any sitting of one-and-a-half hours, the questioner is not able to get the answer to his question, if it is not reached, on the day that the questions are taken? For 20 years I was a Member of a Parliament that had much fewer resources than the European Parliament, and I often saw very many more questions on the agenda. However, anybody could get a written answer to his question on the same day in the *Dail*, Ireland's Parliament.

President. — Mr Clinton, there is the procedure for written questions, which entails answers in writing.

Mrs Boot (PPE). — (NL) Mr President, I wish to make the same point as Dame Shelagh Roberts. I have tabled question No 96. I also voted yesterday in favour of extending Question Time precisely in order to be able to get an answer today. I regret very much that I have not received either an oral or a written reply. I should be very pleased to hear that the Bureau is doing its very best to persuade this Commission to give a written reply to all unanswered questions before the end of the year.

Mr Hutton (ED). — Mr President, since it was known on Tuesday that we were going to have Question Time on Friday, why could preparations not have been put in hand *then* to prepare for this event?

Mr Maher (L). — Mr President, I would only remind you that we have practically used up all of Question Time.

President. — That is the disadvantage of points of order, ladies and gentlemen. They take time, a great deal of time . . .

Mr Contogeorgis. — (GR) In the case of questions discussed on Tuesday, when the Members who submitted those questions were absent the Commission deposited written answers with the Presidency. Of course, the questions coming after the point reached by the discussion are those that have been pro-

grammed for today, and if I am not mistaken, the decision to have a Question Time was taken yesterday, not on Tuesday. Thus, the time available for the translation of about 90 more questions was very limited. And I think that should be understood by Honourable Members, especially since the Commission can today submit answers to all the questions, in the language in which they were formulated, so that any Honourable Member who requires an urgent reply can have one in writing. Mr President, I think that is absolutely reasonable. We cannot demand the impossible, each insisting on his own point of view without taking account of the conditions under which the staff of all the various bodies, Parliament, Council and the Commission, have to work.

President. — Mr Commissioner, I must say frankly that I am not convinced that this linguistic obstacle is as insurmountable as you say it is. I really do not think so. It would be quite possible for you to answer in another language than Greek. The question of languages should really be treated with a little more flexibility. We cannot go on like this.

Question Time is closed.¹

Mr Prout (ED). — Mr President, I cannot remember exactly what rule I am referring to, but I would just like to say that some quite hard things have been said to Mr Contogeorgis this morning in his capacity as the representative of the Commission and that, both in respect of the Squarcialupi report and in respect of Question Time, the remarks were made to him as a representative of the Commission as a college and not in any way personally.

(Applause)

Since this is his last appearance before this House as a Member of the Commission, I should like to add on behalf of my group how much we appreciate the amount of work he has put into his rôle and the inevitable charm and courtesy with which he has treated some extremely difficult questions from Parliament.

(Applause)

Mr Contogeorgis. — (GR) Please allow me to thank Mr Prout very warmly indeed for what he has said, and to assure Parliament that during my term of office I did all that I could to develop the greatest possible collaboration between Parliament and the Commission in matters relating to my own sphere of competence. I must repeat that from Parliament and its Members I have always found response, and working together with them has been a constructive process and has helped me greatly to take, as I think, the correct line

¹ See Annex on Question Time.

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in many difficult and complicated matters that I have had to deal with.

Mr President, once more I thank you and, through you, I thank the whole of Parliament for their esteem and trust.

(Applause)

President. — Thank you, Commissioner. I, too, wish to pay tribute to the work you have done during the last few years and also to the excellent relations which you have cultivated with our Assembly.

This last little difficulty we have had should not be allowed to cast the slightest shadow on our recollection of you as a person and of the work you have done.

I offer you my best wishes for your future.

(Applause)

9. Adjournment of the session

President. — Before closing the sitting, I should like to wish those of you, ladies and gentlemen, who are still here a happy Christmas and to offer you my best wishes for the year 1985.

I declare the session of the European Parliament adjourned.¹

(The sitting closed at 12.25 p.m.)

¹ For items concerning written declarations under Rule 49, forwarding of resolutions adopted during the sitting, and dates for the next part-session: see Minutes.

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