

Annex

# Official Journal

## of the

### European Communities

No 1-272

English edition

## Debates of the European Parliament

---

1981-1982 Session

Report of Proceedings

from 15 to 19 June 1981

Europe House, Strasbourg

## Contents

<b>Monday, 15 June 1981</b> . . . . .	1
Resumption, p. 2 — Tribute, p. 2 — Membership of Parliament, p. 2 — Order of business, p. 3 — Action taken on Parliament's opinions, p. 5 — Machine translation system, p. 7 — Agricultural accountancy data network, p. 11 — Question Time, p. 14 — Annex, p. 26	
<b>Tuesday, 16 June 1981</b> . . . . .	29
Common agricultural policy, p. 29 — Waiving a Member's immunity, p. 62 — Common agricultural policy (contd), p. 63 — Membership of Parliament, p. 65 — Common agricultural policy (contd), p. 65	
<b>Wednesday, 17 June 1981</b> . . . . .	83
Common agricultural policy (contd), p. 84 — Votes, p. 89 — Restructuring of economic and monetary policies — Future of the Communities' budget, p. 90 — Votes, 115 — Death penalty in the Community, p. 116 — Council statement, p. 130 — Question Time, p. 140 — Annex, p. 150	
<b>Thursday, 18 June 1981</b> . . . . .	175
Budgetary control, p. 176 — Commission statement on the iron-and-steel industry, p. 205 — Manufactured tobacco, p. 213 — Fifth ERDF Annual Report, p. 216 — Votes, p. 225 — Fifth ERDF Annual Report (contd), p. 229 — Regional policy and Northern Ireland, p. 232 — Sugar markets, p. 238 — Economic and monetary situation, p. 239 — Arrests of Czechoslovak citizens, p. 247 — Bombing of nuclear power-station at Tammuz, p. 249 — Floods in Lower Saxony, p. 259	

(Continued overleaf)

## 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.

## Contents (continued)

### Friday, 19 June 1981 . . . . . 261

Minutes, p. 262 — Procedure without debate, p. 266 — Votes, p. 266 — Regional policy and Northern Ireland (contd), p. 267 — Coastal erosion, p. 270 — Social provisions in transport, p. 274 — Transport markets, p. 279 — Relations with third countries in the field of transport, p. 281 — Transport through Austria, p. 283 — Protection against microwaves, p. 290 — Dangers from the use of consumer products, p. 294 — VAT for ships intended for scrap, p. 299 — Adjournment, p. 300

*Resolutions adopted at sittings of 15 to 19 June 1981 appear in the Official Journal of the European Communities C 172 of 13. 7. 1981.*

## SITTING OF MONDAY, 15 JUNE 1981

## Contents

1. Resumption of the session . . . . .	2	<i>Mr Andriessen (Commission); Mr Kappos . . . . .</i>	14
2. Tribute . . . . .	2	<i>Question No 3 by Mr Balfe: Salary of the President, the Vice-Presidents and Members of the Commission . . . . .</i>	
3. Membership of Parliament: <i>Mr Forth; Mr Nyborg, Chairman of the Committee on the Rules of Procedure and Petitions . . . . .</i>	2	<i>Mr Natali (Commission); Mr Balfe; Mr Natali . . . . .</i>	14
4. Order of business: <i>Mr Aigner; Mr Muntingh; Mr von der Vring; Mr Bangemann; Mr Fich; Mr Nyborg, Chairman of the Committee on the Rules of Procedure and Petitions . . . . .</i>	3	<i>Question No 4 by Mrs Pruvot: Resale rights of creative artists in the plastic arts: Mr Narjes (Commission); Mrs Pruvot; Mr Narjes; Mr Coutsocheras; Mr Narjes; Mr Collins; Mr Narjes . . . . .</i>	15
5. Action taken by the Commission on the opinions of Parliament: <i>Mr Newton Dunn; Mr Andriessen (Commission); Mr Seefeld; Mr Andriessen; Mr Seefeld; Mr Andriessen; Sir James Scott-Hopkins; Mr Andriessen; Mr Johnson; Mr von der Vring; Mr Moreland; Mr Enright; Mr Key; Mr Contogeorgis (Commission); Mr Andriessen . . . . .</i>	5	<i>Question No 5 by Mr Combe: Harmonization of VAT rates applicable to repairs, maintenance and the provision of services: Mr Contogeorgis (Commission); Mr Combe; Mr Contogeorgis; Mr Møller; Mr Contogeorgis; Mr Purvis; Mr Contogeorgis . . . . .</i>	15
6. Machine translation system — Report by Mr Adam (Committee on Energy and Research) (Doc. 1-193/81): <i>Mr Adam, rapporteur . . . . .</i>	7	<i>Question No 6 by Mrs Ewing: Site of Community Trade-Mark Office: Mr Narjes; Mrs Ewing; Mr Narjes; Mr Marshall; Mr Balfe; Mr Hutton; Mr Narjes; Miss Hooper . . . . .</i>	16
<i>Mr Coutsocheras; Mrs Walz (EPP); Mr Purvis (ED); Mr Sassano; Mr Patterson; Mr Narjes (Commission) . . . . .</i>	8	<i>Question No 7 by Mr Haagerup: Proposal for a directive on the production, marketing, use and disposal of beverage containers: Mr Narjes; Mr Haagerup; Mr Narjes; Lord Bethell; Mr Narjes; Mr Collins; Mr Narjes; Mr Welsh; Mr Narjes; Mr Coutsocheras; Mr Narjes . . . . .</i>	17
7. Network for the collection of agricultural accountancy data — Report by Mr Dalsass (Committee on Agriculture) (Doc. 1-171/81): <i>Mr Dalsass, rapporteur . . . . .</i>	11	<i>Question No 9 by Mr Calvez: US textile exports to the EEC: Mr Narjes; Mr Calvez; Mr Narjes; Mrs Kellett-Bowman; Mr Narjes; Mr Chamberlain; Mr Narjes; Mr Seal; Mr Narjes; Mr Enright; Mr Narjes; Mr Cousté; Mr Narjes; Mr Welsh; Mr Narjes . . . . .</i>	19
<i>Mr Bourmias; Mr Markozanis; Mr Narjes (Commission) . . . . .</i>	12	<i>Question No 10 by Mr Galland: Honda shareholding in British Leyland: Mr Andriessen; Mr Galland; Mr Andriessen; Miss Forster; Mr Andriessen; Mr Herman; Mr Cottrell; Mr Andriessen; Mr Simmonds; Mr</i>	
8. Question Time (Doc. 1-278/81): <i>Questions to the Commission of the European Communities: Question No 2 by Mr Kappos: Defamatory remarks concerning the newspaper Rizopastis:</i>			

<i>Andriessen; Sir Frederick Warner; Mr Andriessen; Mr Seligman; Mr Andriessen . . .</i>	21	<i>Question No 15 by Mr Griffiths: New initiatives on the social aspects of the restructuring of industry:</i>	
<i>Question No 14 by Mrs Fourcade: Market price of fruit and vegetables:</i>		<i>Mr Pisani (Commission); Mr Griffiths; Mr Pisani; Mr Herman; Mr Pisani; Mr Boyes; Mr Pisani; Mr Van Minnen; Mr Pisani; Ms Clwyd; Mr Pisani. . . . .</i>	23
<i>Mr Contogeorgis; Mrs Fourcade; Mr Contogeorgis; Mr Welsh; Mr Contogeorgis; Mr Marshall; Mr Natali. . . . .</i>	22	<i>Annex . . . . .</i>	26

## IN THE CHAIR: MR VANDEWIELE

### *Vice-President*

#### 1. *Resumption of the session*

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

**President.** — I declare resumed the session of the European Parliament adjourned on 8 May 1981.

#### 2. *Tribute*

**President.** — Ladies and gentlemen, it is my sad duty to inform you that Mr Giuseppe Pella, former President of the ECSC Common Assembly, died on 31 May last.

Mr Pella was born in 1902 at Valdengo, Piemonte and in 1946 was elected as deputy for the Christian-Democratic Party. He was a member of the Chamber of Deputies until 1968, when he was elected to the Senate. In 1972 he was re-elected to the Senate. For some time now he had withdrawn from political life.

His participation in a number of Italian governments is proof of his ability and dedication. Mr Pella was Secretary of State for Finance in 1947, Finance Minister from 1947 to 1952, Premier in 1953, Vice-Premier and Foreign Minister in 1957, Foreign Minister and Budget Minister from 1957 to 1962 and Finance Minister in 1972.

As member of the ECSC Common Assembly from 1954 to 1958, Mr Pella in 1954 succeeded the great European statesman Alcide de Gasperi as President of that Assembly, a post he occupied until November 1956.

I would now ask you, to observe a few moments silence in honour of his memory.

*(Parliament, standing, observed a minute's silence)<sup>1</sup>*

<sup>1</sup> Minutes: see Minutes

### 3. *Membership of Parliament*

**President.** — Mr Pisani, Mr Faure and Mrs Dekker have informed me in writing of their resignation as Members of the European Parliament.

In accordance with Article 12(2), second sub-paragraph of the Act concerning the election of the representatives of the Assembly by direct universal suffrage, the Assembly has established the existence of these vacancies and will inform the Member States concerned accordingly.

I call Mr Forth.

**Mr Forth.** — Mr President, I am surprised that further resignations have not been communicated to this House, since I understand that certain other former members of this House have been appointed to the new government in France. Could you perhaps tell us whether we should not have expected resignations from those who have become members of the French Government?

**President.** — The question of incompatibilities resulting from national appointments is dealt with in the Rules of Procedure we adopted a few weeks ago. We shall apply these Rules, and I assume that Parliament has no wish to debate this issue again. Pursuant to the provisions in question, Parliament takes note of national appointments following notification from the government concerned. As soon as notification is received it is made known to the House. In any event I shall submit this matter tomorrow morning to the enlarged Bureau and also consult the Committee on the Rules of Procedure and Petitions. It may even be possible to make an announcement on this matter tomorrow.

I call Mr Nyborg.

**Mr Nyborg,** *chairman of the Committee on the Rules of Procedure and Petitions.* — (DA) Mr President, in accordance with the Act of 20 September 1976, Article 12(2), it is for Parliament to establish that there is a vacancy if the necessary official notification has



**Nyborg**

not been received from the government of the Member State. This means that it is clearly and unmistakably Parliament's duty in the present instance to inform the French government that Parliament has noted that so and so many seats have fallen vacant following the appointment of Members to posts in the new French government. If there is some objection to applying this article, we can use our own Rules of Procedure, Rule 7(7). At all events, the crucial point is that we in this House affirm that those members who have become members of the French government are no longer Members of this Parliament and request the French government as soon as possible to nominate those who are to replace them here.

*(Applause from certain benches on the right)*

**President.** — Just a moment ago in my announcement I interpreted the Rules in the same way. The government concerned has already been notified. Steps have been taken, and I hope that by tomorrow we shall have reached a definite decision. In any case the matter will be discussed again tomorrow in the enlarged Bureau.<sup>1</sup>

#### 4. Order of business

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

At its meeting of 13 May the enlarged Bureau drew up the draft agenda, which has been distributed (PE 73.198/rev.).

Following today's meeting with the political group chairmen, pursuant to Rule 55 of the Rules of Procedure, I propose the following alterations to the draft agenda.

For the sitting on *Wednesday*: the Pfennig report on the future of the Community budget could be included on the agenda for joint debate with the Giavazzi report on the restructuring of economic and monetary policies further to the Council Decision of 30 May 1980, which appears on the agenda as item 104.

The statement by the President-in-Office of the Council on the six months of the Netherlands Presidency could be made at 4.30 p.m. on the understanding that if the votes schedules for 3 p.m. are not concluded by 4.30, they will be continued at 9 a.m. on Thursday morning as the first item on the agenda.

For the sitting on *Thursday*: the beginning of the agenda might read as follows: possibly, continuation

of Wednesday's vote, joint debate on the reports on budgetary control — Nos 64 to 69.

Next a statement by Mr Davignon on the situation in the Community iron and steel industry, which will last approximately 10 minutes. Pursuant to Rule 40 of the Rules of Procedure, Members will then have a period of 30 minutes in which to put brief and concise questions with a view to clarifying specific points in the statement.

Next, the second Beumer report on taxes affecting the consumption of manufactured tobacco. I would remind you that, pursuant to Rule 35 of the Rules of Procedure, this report was referred back to the committee on 8 May 1981 and that its inclusion on the present agenda is therefore automatic.

Next the possible continuation of the agenda of the previous days' sittings, including the remaining reports entered on Thursday's agenda under item Nos 107 to 116.

The Bureau proposes that the topical and urgent debates which, according to the agenda, are to be divided into two periods, should be held as a single debate from 9 p.m. to midnight, it being understood that these three hours will also include the votes. This is a collective proposal from the political group chairmen.

Finally, in regard to the sitting on *Friday* it was proposed that the following report be placed on the agenda after the item providing for the continuation of Thursday's agenda: the Battersby report on certain measures applicable to vessels registered in the Faroe Islands, the Tuckman report on pre-accession aid for Portugal and the von Wogau report on the 1981 programme for the achievement of the customs union.

I call Mr Aigner.

**Mr Aigner.** — *(DE)* Mr President, I wish to begin by thanking the Bureau for arranging the proceedings in conformity with the decision taken unanimously by the House at its last sitting in such a way that the debate on the discharge figures as the first item on the agenda. I do not think that the vote itself will take up much of our time.

In agreement with the rapporteur who is unable to be with us today because of political commitments in France, I would also ask for item No 68 to be held over to the next part-session.

Finally I have already put a request to the Bureau that our general rapporteur should not be allowed only five minutes speaking time. This is a joint debate and we have to outline to the House the work done by a committee over the whole year. I therefore consider it readily understandable that the general rapporteur cannot complete his task in five minutes.

<sup>1</sup> Request for the waiving of parliamentary immunity — transfers of appropriations — petitions — documents received — texts of treaties forwarded by the Council — authorization of reports and referral to committee — withdrawal of a motion for a resolution: see minutes.

**President.** — Mr Aigner, I can set your mind at rest. The Bureau is agreed that your request must be accepted. The President of the sitting concerned will be notified that he must allow a little more speaking time. But we ask all other rapporteurs to keep their statements as short as possible in view of the heavy agenda. At all events your proposal is, in principle, accepted.

*(Parliament agreed to hold over the Cousté report)*

I call Mr Muntingh.

**Mr Muntingh.** — *(NL)* Mr President, items 107 to 109 on the agenda are reports and a number of oral questions with debate on regional matters. The discussion of regional policy is very important; I would therefore ask you to place the Beumer report, which was tabled later, on the agenda after this major debate.

**President.** — Mr Muntingh, I must draw your attention to the very special character of the Beumer report. Last month we informed the Commission of our disapproval. Under the new Rules of Procedure the report must, therefore, automatically be referred back to the committee since the Commission was unwilling to accept Parliament's point of view. Under the new Rules we are bound to deal with it, but we can scarcely enter it at the end of the part-session on Friday's agenda. I would ask you not to press the matter further since you are weakening Parliament's position by taking the line that it is immaterial what time this report is taken. Leave the initiative with the Bureau in this matter so that full emphasis can be laid on this Beumer report on Thursday. I would be happy to go into the matter with you later on. He would then realize that it was important not to push the matter now.

I call Mr von der Vring.

**Mr von der Vring.** — *(DE)* Mr President, I am not quite sure whether I have understood your remarks correctly. You said that the statement by the President-in-Office would begin at 4.30 p.m. on Wednesday and that any votes which have not been completed by then will be continued at 9 a.m. on Thursday. That must surely be a misunderstanding since the debate on Thursday is due to begin at 10 a.m.

**President.** — I call Mr Bangemann.

**Mr Bangemann.** — *(DE)* As I have just heard, there is clearly a general wish for the votes to be taken at 10 a.m. We had in fact decided this morning that any remaining votes would begin at 9 a.m. followed by the ordinary sitting. Mr President, I have no objection if you wish to change that decision again. But we had

decided this morning to take the votes at 9 a.m. and to hold the normal sitting at 10 a.m.

**President.** — Mr Bangemann, there is a misunderstanding here. If we follow what you say, all political group chairmen must now decide not to hold any political group meetings at 9 a.m.

I call Mr Fich.

**Mr Fich.** — *(DA)* Mr President, I want to speak about Item 119. This concerns a report without debate by Mr Nyborg on the noise emitted by hydraulic and other excavators. Pursuant to Rule 34 of the Rules of Procedure ten Members may request that a report without debate be placed on the agenda or a group may make such a request. Now, in this case more than ten Members from the Socialist Group have formally indicated that they want this report placed on the agenda and the whole of the Socialist Group has decided to endorse that request. Therefore I should just like you to confirm that Item 119 on the noise emitted by excavators is on the agenda.

**President.** — Mr Fich, I can inform you that another two amendments have since been tabled and that further discussion is necessary.

I call Mr Nyborg.

**Mr Nyborg, Chairman of the Committee on the Rules of Procedure and Petitions.** — *(DA)* Mr President, I do not think you can refer this report back to committee, but instead you can agree to a debate on it and that would be sensible, especially since there are some amendments.

**President.** — There is clearly a difference of opinion here between the chairman of the Committee on the Rules of Procedure and Petitions and the Bureau.

The difference between the Bureau and Mr Nyborg concerns Rule 34(2), which reads as follows:

'The proposal and, where appropriate, a motion for a resolution contained in the report shall be put to the vote without debate unless a political group or at least 10 Members of Parliament lodge a protest in advance. In the latter case the proposal shall be referred back to the appropriate committee for reconsideration.'

That is precisely what the Bureau is doing. There are 10 Members from an important Group who are asking for the matter to be referred back to the committee straight away. What possible objections can Mr Nyborg have?

**Mr Nyborg.** — Agreed.

**President.** — Mr Nyborg will see that his Rules are very well and clearly drafted. He has also to comply with them, just as much as we.

*(Laughter — Parliament agreed to the order of business, thus amended).<sup>1</sup>*

5. *Action taken by the Commission on the opinions of Parliament*

**President.** — The next item is the communication from the Commission on the action taken on the opinions and resolutions of the European Parliament.<sup>2</sup>

I call Mr Newton Dunn.

**Mr Newton Dunn.** — Mr President, at the last part-session, Parliament voted unanimously in favour of assistance from the Internal Disaster Fund for farmers affected by very bad weather in parts of the United Kingdom. Will the Commission please give their reasons why, despite the Parliament's unanimous opinion in favour of aid, they have refused to give a single unit of account in aid?

**President.** — I call the Commission.

**Mr Andriessen, Member of the Commission.** — *(NL)* Mr President, that question requires closer consideration by the Commission which will give an answer to the appropriate committee of Parliament as soon as possible.

**President.** — I call Mr Seefeld.

**Mr Seefeld.** — *(DE)* Mr President, ladies and gentlemen, you will recall that at our last part-session we discussed at length with the Commission whether it would be prepared to accept Parliament's compromise proposal of 40 tonnes for the weight of heavy trucks and amend its own proposed figure of 44 tonnes. The Commissioner responsible, Mr Contogeorgis, promised to clarify this matter within the Commission and to report back to us at our next part-session. However, I cannot see any clear statement on this matter by the Commissioner and I should be grateful for an explanation as to why the Commission has so far been unwilling to comply with Parliament's proposal.

I believe this point to be important, Mr President, because we had unanimously asked the Commission to

amend its proposal. Five weeks have passed and we have heard nothing. I think we should be told quite clearly why the Commission is unwilling to comment on our proposal. I believe this to be a serious matter of cooperation between the Parliament and Commission. I expect more information than has been given to us in this paper.

*(Applause from various parts of the House)*

**President.** — I call the Commission.

**Mr Andriessen, Member of the Commission.** — *(NL)* Mr President, I know that my colleague Mr Contogeorgis will be with us in a few moments. I therefore leave it to the House to decide whether it will be satisfied with an answer from me or whether it prefers to wait for a reply from my colleague who has responsibility for this particular area.

**President.** — I call Mr Seefeld.

**Mr Seefeld.** — *(DE)* Since Mr Contogeorgis said only recently that the Commission is a collegiate body and that he could not make an individual statement in the House, I should now like a statement to be made on behalf of the whole Commission.

*(Applause in various parts of the House)*

**President.** — I call the Commission.

**Mr Andriessen, Member of the Commission.** — *(NL)* Mr President, I was not in any way seeking to escape from our joint responsibility, but since the discussion had actually taken place with the Commissioner specifically responsible, I felt it best to leave the option to the House. I shall however now try to give a collegiate answer. The fact that the Commission has not yet answered Parliament's suggestion certainly does not mean that it is not receptive to proposals from Parliament. But you will surely agree with the Commission that this is an extraordinarily complicated matter and one which is still being examined within the Commission. There has therefore been no decision to either accept or reject suggestions made by Parliament. Our studies are continuing in a spirit of goodwill and I can assure you that the Commission will do everything possible to find the most positive solution to this problem. May I ask the Honourable Member to show a little patience; he will be given a constructive answer but we are still working on the subject.

**President.** — I call Sir James Scott-Hopkins.

**Sir James Scott-Hopkins.** — Mr President, I think it is an awful shame to be fighting with the Commission

<sup>1</sup> Details of order of business — Speaking Time — Deadline for tabling amendments Topical and urgent debates — Procedure without report: see Minutes

<sup>2</sup> See Annex

**Scott-Hopkins**

like this in the early days, but quite frankly the Commissioner's replies have been far from satisfactory.

First, if I may say so, his reply to my honourable friend, Mr Newton Dunn, concerning aid was really a very strange one. An announcement was made that no aid was going to be given to the victims of the late snow disaster. If he is now saying that there is going to be some aid, have things changed or what has happened? I see his aide is shaking his head to indicate that there is going to be no aid. Well then, that is really rather extraordinary and I would ask him to ask the College of Commissioners to look at it yet again.

Regarding the last point which was made by Mr Seefeld and which the Commissioner has answered, it is a highly unsatisfactory situation. When can we expect this answer? Before we go into the recess? In the summer holidays? Or are we going to have to keep our constituents on tenderhooks for the next six months? I thought the idea was that the Commission would work quickly, and that was certainly the impression given by the Commissioner when replying to the debate last month. He will be aware, I am sure, that it was only by good luck that this particular report was not referred back for further negotiations with him. If this kind of procedure goes on, however, this is undoubtedly what the House will have to do next time. I am most unhappy with the way these two issues have been dealt with.

**President.** — I call the Commission.

**Mr Andriessen, Member of the Commission.** — (NL) Mr President, I well realize that Parliament cannot be satisfied with a situation in which the Commission is still unable to give a positive and constructive answer on a complex matter. The Commission is not satisfied with this situation either and would have preferred to be able to put specific proposals to the Council on the matter at this stage. Unfortunately the subject was too complicated for that to be possible. I cannot indicate a precise date at this stage on behalf of the Commission because we have not been able to reach final agreement as a college. I can however promise that I shall use my best endeavours to ensure that specific decisions are taken before the summer recess. As regards the other aspect of aid: this matter might appear simple but it is not. For one thing consultations must take place with various countries. However, I feel sure that Parliament would prefer to wait somewhat longer for an accurate and satisfactory reply instead of receiving an immediate answer which may be misleading. I hope that will satisfy Sir James Scott-Hopkins.

**President.** — I call Mr Johnson.

**Mr Johnson.** — Mr President, I was among those who argued last time that it was right to refer the

matter of heavy lorries back to committee and not to proceed to a vote, for precisely the reason which Sir James Scott-Hopkins and Mr Seefeld have alluded to. I think that Mr Andriessen has been helpful in reconfirming, if we understand him correctly, the commitment which Mr Contogeorgis made last time that the Commission will be reconsidering the proposal in the light of Parliament's opinion.

My problem, Mr President, is the inadequacy of the document which has been presented to us — I am referring to Document SP 81/2221. In that document nothing of the sort is said to us — we merely have a statement that the matter was discussed in Parliament and the Commission explained why it wanted to maintain its proposals. If what Mr Contogeorgis says is true and if what Mr Andriessen says is true, then why did not someone bother in this short paper to add the fact that in the light of the discussion in Parliament, even though the Commission explained in the meeting that it wanted to maintain its proposals, it was now proposing to re-examine the whole thing and add a time and a place. I think we have been less than fairly treated in this paper, Mr President.

**President.** — I call Mr von der Vring.

**Mr von der Vring.** — (DE) As Mr Johnson has already explained, the Commission is officially informing us in this document on action taken on the Carossino report that it is sticking to its proposals. However, the Commissioner has just stated that he is not yet able to say what the Commission's final position will be. We have therefore received a misleading communication from the Commission and we feel it important to discuss the matter fully now because it has an immediate bearing on future cooperation between the Parliament and Commission. This laxity is unacceptable. We want to know exactly how things stand.

**President.** — I call Mr Moreland.

**Mr Moreland.** — Mr President, I think I should point out first of all that, at the last meeting of the Committee on Transport, the Commission representatives did give us the impression — I think the very firm impression — that we would get an answer on this today, so I am very surprised about that.

Secondly, Mr President, perhaps I can put this point to the Commission. The issue we are talking about is whether the maximum vehicle weight limit should be 40 tonnes or 44 tonnes. I would hardly describe that as a great complex issue, and one really would have thought that a decision should have been made. The committee gave its view in January and opted for 40 tonnes. Surely by now the Commission could have

**Moreland**

worked out what its response was going to be. If it does not have a response on that sort of issue, which is a highly controversial one, it cannot be a credible political institution within the Community.

**President.** — I call Mr Enright.

**Mr Enright.** — Mr President, following Sir Frederick Warner's report on the regulations for food aid, we did ask the Commission to step up its efforts to monitor the distribution and the quality of that aid. What initial steps has the Commission taken on this very important matter, because there is no indication here that they have taken any whatsoever?

**President.** — I call Mr Key.

**Mr Key.** — As the Commissioner responsible for transport has now arrived, could he reply personally to this House on the situation with regard to the Carosino report and allay the concern of the House on this matter, thereby giving us some clarification on this issue that is so vital to the people of Europe?

**President.** — I call the Commission.

**Mr Contogeorgis, Member of the Commission.** — (GR) Mr President, as I said in the previous part-session and as my colleague, Mr Andriessen, has just pointed out, the Commission is studying the document in the light of the unanimous, if I remember correctly, decision by Parliament on the maximum vehicle weight limit. This is a very delicate and extremely difficult matter, it is not so straightforward and the Commission has not finished yet. However, I can assure you that in the forthcoming Council the Commission will do whatever it can to ensure that a decision is taken which reflects the wish, the unanimous wish of Parliament. However, I am unable to undertake any obligation on this matter because, as I told you, the study of the issue has still not been completed. It is a delicate, difficult and complex matter and we do not want to make any rash proposals.

However, I assure you once again that we shall do what we can and we shall pay particular attention to Parliament's unanimous wish.

**Mr Andriessen, Member of the Commission.** — (NL) Mr Enright will surely have noticed that I used my best endeavours to obtain the answer requested by him on the subject of the improvement of the quality of food aid. To my great regret, I must admit that this has not been possible and I now promise to seek further clarification in the Commission at an early

stage. I am unable to give the information requested at this juncture.

### 6. Machine translation system

**President.** — The next item is the report by Mr Adam, on behalf of the Committee on Energy and Research, on the

proposal from the Commission of the European Communities to the Council (Doc. 1-352/80) for a decision on the adoption of a European Economic Community Research and Development Programme for a machine translation system of advanced design (Doc. 1-193/81).

I call the rapporteur.

**Mr Adam, rapporteur.** — Mr President, in recent months the importance of the translation service to the efficiency and the effectiveness of this Parliament has become obvious to all our Members.

Ever since 1977 the Commission has been implementing a multi-language plan which, in addition to the work on terminology banks and thesauri in various subject fields, has also included tests on the viability of machine translation based on the SYSTRAN system.

The Commission is continuing its work in these fields, but for the machine translation it now proposes to develop a new system called EUROTRA. SYSTRAN is essentially a bilingual system. A year ago with six official languages this meant 30 language pairs within the Community. With Greek added there are now 42 language pairs. When Spain and Portugal enter there will be 72. This means that there is a very great urgency to the need for an effective machine translation system. The design of EUROTRA is modular. This means that certain aspects of the system are common. Less investment will be needed in dictionaries. Modules will be able to be updated as linguistic or software techniques improve, and it can be extended to any language pair.

The Community, with more official languages than any other organization, is ideally placed to play the leading role in machine translation. The Committee on Energy and Research has enthusiastically welcomed the proposals.

Three main issues have been examined by the Committee: the adequacy of the proposals, whether other research and development projects should be explored and whether enough is being done to tackle immediate problems in the translation service. EUROTRA offers faster and cheaper translation, and this will make a valuable contribution towards developing the elected democratic element in international relations. EUROTRA is also a major breakthrough in the application of computer techniques. Its development is

**Adam**

therefore a major opportunity for the computer industries in the Community.

The linguistic analysis will be undertaken in national research units. Success opens up prospects for commercial and scientific applications in international institutions the national institutions of multilingual countries, in data-based industries, for trade literature and scientific publications.

The committee recommends an additional article, Article 6, covering the payment of royalties which will protect Community interests as a result of commercial development.

There is, however, some disagreement between the Committee on Energy and Research and the Committee on Budgets on the staffing levels that are necessary. The Committee on Energy and Research did not accept the Committee on Budget's view that the work could be done by temporary staff with administrative support from existing staff of the Commission. These views have, however, been tabled as Amendment No 1 and will be taken when we come to the vote.

I must emphasize that EUROTRA is a long way off. Post-editing will always be needed for some uses of a machine translation system, and I consider that the Commission is too optimistic about the time-span. It has become clear during the Committee's investigation that other measures must be taken in the interim. There is an immediate need, referred to in paragraph 6 of the motion for a resolution and paragraph 20 of the explanatory statement, to introduce word-processing techniques, terminology banks and computerized references, which ensure that the knowledge of existing staff is not lost, and even proper dictating systems. The cut-and-stick method, which is a stock-in-trade of the translation service, can easily be mechanized. The lack of progress in the application of technology in all the translation services of the institutions is deplorable. There is a lack of coordination between the institutions and there is a lack of staff consultation. I must emphasize to the Parliament the importance the Committee attaches to paragraph 6 of the resolution.

In the medium term, referred to in paragraph 7 of the resolution and paragraphs 23, 27 and 28 of the explanatory statement, the Committee recommends that translation should also be examined as a data-processing problem. I can best describe this as having a vast store of translated material and using the memory capacity and rapid retrieval systems of modern computers to bring the two together. Almost 45% of Council translations are existing texts with some amendments. This method would almost certainly be available before EUROTRA and would also be a valuable insurance against any delay in its development.

In the French National Assembly, I understand — and many new deputies will be finding this out very soon

— there have been considerable developments in information services for deputies, making use of computer techniques and data-banks. EUROTRA offers the same facilities in a multilingual setting. It brings within its scope the possibility of the morning newspapers' being available to us in all languages and the excitement of an explosion of knowledge and understanding in international affairs. After all, we are not all as gifted as the Emperor Charles V, who, when asked what language he spoke in his vast kingdom, is reported to have replied: 'I speak Latin and Italian with the Pope and his ministers, Spanish and German with my officers and soldiers, French with the ladies, my noble friends and diplomats, and I speak Flemish with my most trusted friends, my physician, my father confessor and my secretary.' It sounds very much less romantic, but in future we shall be speaking *via* EUROTRA. The committee hopes that its own enthusiasm for this project and the full backing of the Parliament will overcome the reluctance of some Member States, which, I understand, exists, to approve this project. If the European Community does not do this, the Japanese will.

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

**Mr Coutsocheras.** — (*GR*) I should like to point out once again, Mr President, that the texts must also be drawn up in Greek. This is not just because there is an obligation to do so but, as you know, the other languages also owe a lot to the Greek language.

**President.** — Mr Coutsocheras, this will be looked into right away. You have a right to receive the documents in your own language.

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

**Mrs Walz.** — (*DE*) Mr President, on behalf of my political group, I wish to congratulate Mr Adam on his excellent report. We fully endorse his conclusions as we do those of the Committee on Budgets. We all complain about the bottleneck in translation and we have just heard yet again from our Greek colleague what happens when translations are not ready in time. This bottleneck often makes it quite impossible for us to do our work properly because the documents are not available in our respective languages. This constantly creates irritation although we realize that the translation services are working flat out. The fault does not lie with them but with the excessive quantity of documentation.

EUROTRA goes beyond SYSTRAN. While SYSTRAN is useable for only two languages and has an error rate of 25%, the EUROTRA research and development project is to cover six languages with the

**Walz**

aim of attaining an error rate of only 10% if possible — of course the texts will still need revision before reaching their final form. A system of this kind could be of great interest to world trade and to industrial undertakings which might participate; some of the money spent by the Community could therefore be recouped as soon as the results of the programme become commercially available and are made the subject of licence agreements.

It goes without saying that the word processing technology already available today must continue to be used since, as Mr Adam has already said, EUROTRA is still a long way off. Personnel should be recruited in the numbers proposed by the Committee on Budgets to keep costs down to a reasonable level. I say that although my own committee voted differently and gave its support to a different staffing level. However, I must say on behalf of my own group that we support the proposal from the Committee on Budgets.

This is a technology of the future in which Europe is in the lead and it remains for me to express the hope that work will continue as speedily as possible.

**President.** — I call the European Democratic Group.

**Mr Purvis.** — Mr President, we also welcome this programme as an attempt at original research at the borders of knowledge and technology but which could be of major practical and political utility if successful. We also welcome the Adam report and, in particular, the amendments to the Commission proposal that he puts forward, especially that there should be progress reports on the process as it advances. We consider this an important consideration in all such research projects but particularly in one like this where one has to conceptualize to start with and then move on to the practical research work. But in order for this review to be worthwhile there should be a better definition of the objectives we are going for so that we can, in two years' time, judge criteria. We would suggest to the Commission that it would be worthwhile to maintain contact with the United Nations and other international bodies; perhaps to obtain their support, whether it be financial or in kind, but in particular to avoid duplication and, in the end, to maximize the commercial return that might be possible for the Community.

Now, one question to the Commission, if I may: we supported inclusion in the budget for this year of this programme, but the Council of Ministers rejected it. Has the Commission got the necessary resources to go ahead or is it confident that the Council will approve the programme, and approve in due time the necessary resources to go ahead?

**President.** — I call Mr Sassano.

**Mr Sassano.** — *(IT)* Mr President, I should like to clarify a few matters relating to the implementation of this proposed system.

First of all, the previous SYSTRAN experiment showed the need to confine ourselves to specifics in such a dynamic sector as automatic data processing. Apart from its more refined modular nature, the proposed new system does not seem to be based on advanced design parameters going beyond simple lexical elements to approach grammatical and syntactic problems. That being so, it is only appropriate to recommend that the research proposals should be carefully assessed, especially in the light of previous negative experience, so as to highlight the advanced features which alone might justify the investment involved.

I also have some doubts about the industrial property rights which might derive from the programme.

Above all that should not be a decisive factor in the conclusion of research contracts. I am not suggesting that the Community should have no say in the exploitation of industrial property rights. If the Community needs to acquire a programme it must evaluate the proposed characteristics and determine the extent to which the programme meets its specific need. The problem of commercial utilization is secondary and does, in my view, involve a number of obstacles.

Firstly the Community does not seem to be equipped to perform software use functions effectively. The dynamic of electronic data processing involves the introduction of a constant stream of new products on to the market which easily make the previous product obsolete. The protection of software copyright raises objective difficulties which have not yet been solved and make it practically impossible to control unauthorized use. All in all, this means that the conclusion of research contracts involves heavy financial outlay which it is difficult to offset by future revenue.

A further clarification is called for as regards the immediate reorganisation of the working procedures and the need, until the results of the EUROTRA programme become available, to make use of word processing equipment and techniques which are capable of ensuring greater efficiency. Manual tasks and typewriting work, especially in the case of translations of a repetitive nature — with which we are concerned here, can be effectively facilitated by using adequate equipment. A wide variety of equipment is commercially available at present at reasonable cost. In that respect I do not agree with paragraph 7 of the Resolution which seems to speak of simple word processing functions for repetitive texts as automatic translation systems although they have nothing to do with translation as such. I am sorry but that criticism seems self evident to me.

In conclusion, for these tasks at least it is urgently necessary to reorganize our working procedures using

**Sassano**

more up-to-date methods and techniques which are better suited to the vast amount of work — referred to by Mrs Walz — involved in the translation of texts.

**President.** — I call Mr Patterson.

**Mr Patterson.** — I rise to move the three amendments in my name. The Committee on Youth, Culture, Education, Information and Sport has also studied a similar subject to this and on this I drafted an opinion for that committee.

I want to make two points today: first of all, it is common to make jokes about computer translation; in fact Mr Adam's report contains one joke in his explanatory statement. However, I think it is very worthwhile pointing out that even an imperfect machine translation can be of very considerable value. If you look at the evaluation, for example, of the SYSTRAN project by the Commission, you will find that the accuracy of the machine translation before post-editing was only 73% and yet it was of some utility to 88% of potential users. Now I think this is an important point to make because so often people think that the computer has got to turn out English, or French, or German of the same elegance as Hazlitt, Flaubert or Goethe. That is not the case. My Amendment No 2 makes this point.

My Amendment No 4 goes on, rather as Mr Adam mentioned, to state that the existing computer translation projects we have, in particular SYSTRAN, could in fact be further tested for utility within the Parliament today together with the other new aids, the new technologies which Mr Adam mentioned.

But my final point, I think, is more important than all of them, in view of what the last speaker said. As someone who has studied linguistics, I believe it useful to point out, as I do in Amendment No 3, standing in my name, that the EUROTRA project is at the frontiers of current knowledge in the field, and this is of much more importance than merely technical and commercial matters which Mr Adam pointed to. It promises in fact the development of linguistic theory towards the eventual discovery of a deep structure common to all languages. That will be in effect the end product of the EUROTRA linguistic research, which we hope Mr President, will thereby lead to better understanding, not only among European peoples but among peoples throughout the world. I therefore say that the EUROTRA project is more important than the rather mundane matters which have been mentioned so far.

**President.** — I call the Commission.

**Mr Narjes, Member of the Commission.** — (DE) Mr President, may I begin by congratulating the

Committee on Energy and Research on behalf of the Commission on its excellent report and by thanking the committee and all the speakers for their numerous suggestions and for the constructive reception they have given to this project.

We also appreciated the quotation made by the rapporteur; but if our memory serves us right, although we have not been able to verify this yet through EUROTRA and EURONET, Charles V. also had a language which he only spoke to his dogs. Perhaps that should have been included in this document.

As Mr Patterson rightly stated, the EUROTRA experiments are on the frontier of present knowledge. Consequently there is no guarantee of safe development without any errors. We must expect setbacks but are using our best endeavours to progress in the right direction. Our experience with SYSTRAN has not disheartened us but rather given us encouragement to continue further on the route chosen with EUROTRA.

Mr President, a multiplicity of languages is an essential feature of the cultural wealth of Europe. It is also a serious barrier to the exchange of goods and services within the Community and in particular a practical problem for the institutions of the European Community. We shall shortly have to work in nine languages and it was already very expensive to use six. If I may remind you of the figures applicable to the Community, in the 1979 budget one-third of the entire personnel of the Commission and one-half of the staff of the European Parliament were already directly or indirectly involved in language communication work.

The share of financial expenditure is even more impressive: in 1979, 331 million EUA out of a total administrative budget of 817 million EUA were accounted for by language functions. The problem created by the multi-lingual system has long given the Commission occasion to propose concrete action, firstly under action plans for scientific and technical documentation and information and subsequently in the context of proposed measures to improve the transmission of information between the European languages. We have developed special aids for the use of the language services; multi-lingual thesauruses for documentary research, terminology data banks to assist translators and computer-aided translation systems, in particular SYSTRAN.

SYSTRAN is at present being used experimentally by the translation services in Luxembourg to verify its acceptance by translators who check the initial versions which have an accuracy of 73% as indicated earlier and make the necessary corrections; the influence on productivity is also being evaluated. Moreover the Commission is to make the system available through EURONET and DIANE to provide the users of those networks with translations of the stored documents. The Commission hopes that by the end of the year SYSTRAN will help to translate 1 000 pages each month.



**Narjes**

Experience with SYSTRAN has shown that over the next few years this system will be able to provide very valuable services but that it is essential to begin already at this stage on the development of a new system which will in the medium term take over from SYSTRAN. The principal objectives of the new system design are portability, the modular system referred to earlier, a multi-lingual base and adaptability. The Commission realises that some fundamental research and a great deal of applied research are still necessary to attain this aim.

The EUROTRA research and development programme therefore covers the development of an operational system with the features indicated above; its practical applicability will, however, initially be confined to a well-defined specialized area with some 20 000 entries and to a few types of documents or linguistic styles.

The programme is to be implemented in close cooperation between the research institutes of the European computer industry in the Member States and the Commission itself. The linguistic work is being carried out on a decentralized basis.

An agency will be appointed with responsibility for analysis of each individual language and for generation of a specific machine language. The system software will be developed by a European company selected on the basis of a public call for tender; within the Commission a project team will be appointed with responsibility for project management. This project team will have particular responsibility for effecting practical verifications through the software contracts. Expenditure is estimated at 15.1 million EUA at 1981 prices; 9.1 million will come from Community funds and 6 million from national contributions by the Member States.

To that extent the report of the Committee on Energy and Research corresponds to the aims and procedures of the proposed programme. The Commission will endeavour to take over all the committee's suggestions in so far as that is possible. It also intends to report regularly to the committee on the progress of the project and to discuss the matter with committee members.

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

The vote will be taken at the next voting time.

7. *Network for the collection of agricultural accountancy data*

**President.** — The next item is the report by Mr Dalsass, drawn up on behalf of the Committee on Agriculture, on

the proposal from the Commission of the European Communities to the Council (Doc. 1-851/80) for a regulation amending Regulation No 79/65/EEC setting up a network for the collection of accountancy data on the income and business operation of agricultural holdings in the European Economic Community (Doc. 1-171/81).

I call the rapporteur.

**Mr Dalsass, rapporteur.** — (DE) Mr President, ladies and gentlemen, my report relates to the proposal from the Commission of the European Communities to the Council amending Regulation No 79/1965 setting up an agricultural accountancy data network on the revenue situation and operating economics of agricultural holdings in the Community.

As is apparent from the title, the agricultural accountancy data network was set up to acquire a wide variety of data as the basis for definition of the Community's Agricultural Policy.

The agricultural accountancy data network is thus an important basic instrument of agricultural policy enabling that policy to be constantly adjusted to the prevailing situation.

Remembering the many lengthy debates which have taken place on the Community's Agricultural Policy and the criticisms levelled at that policy together with demands for it to be redesigned or adapted to the current situation, we are bound to recognize the true importance of the agricultural accountancy data network.

The information obtained through that network shows whether the measures taken by the European Community have the desired effect. The data obtained in this way then enables other necessary measures to be taken to correct the Agricultural Policy. We shall be discussing that policy and its future shape in detail later this week.

I shall now outline the proposed changes briefly: first and foremost, the accounting period for the acquisition of data is to be unified. The accounting period is to begin on 1 January and end on 31 December in all the Member States. Hitherto there have been differences of up to 6 months between individual countries.

A further welcome change is that the farm holdings involved in the surveys must all be larger than a specified minimum size expressed in terms of European Units of Account. This will tend to give more uniform data with better comparability.

The new regulation provides for the division of France into programme areas in order to obtain a better idea of the specific regional features of French agriculture. That innovation is to be welcomed but the Committee on Agriculture feels that a similar subdivision should

### Dalsass

be made for Ireland and Scotland. The committee has proposed an amendment on those lines. It has also been suggested that a national committee should be formed for each country within the information network. We are able to agree to that — in fact we welcome this development which will lead to an even more satisfactory structure of the information network. However, the Committee on Agriculture feels that where area committees exist their respective competences must be delimited more precisely. The area committees must retain an important right of participation and co-decision in choosing the accountancy concerns because they are more familiar with the situation in the areas and better able to judge it.

The Commission proposes that all the expenditure resulting from this change in the information network should be charged to the Member States. The Committee on Agriculture on the other hand feels that at least part of the expenditure should be met by the Community. It is also of the opinion that certain farm units should continue to receive financial aid in the future as an incentive to keep the necessary accounts.

I have also expressed the view — endorsed by the Committee on Agriculture — that the information network must provide data on the mountain regions and other disadvantaged areas within the meaning of Directive 75/268 adopted in 1975, to enable the effectiveness of the Community instruments used to promote the development of these areas to be evaluated. That is imperative if a specific policy rather than the general agricultural policy is to be applied to the mountain regions and other deprived areas. The mountain regions do not have the sole function of producing agricultural goods; they have a far more important role: they must be preserved as a recreational area for the entire population. Furthermore, ecological aspects must be given due attention in those areas.

I further believe that the acquisition and processing of accountancy data must be further improved to give us the most up-to-date information on income trends in Community farms.

Every effort must therefore be made to achieve progress in the sense of more up-to-date information which must be made available in good time to the European Parliament and, in particular, to the Committee on Agriculture.

I believe that the importance of the agricultural accountancy data network has been sufficiently emphasised in this brief speech of mine.

In conclusion the motion for a resolution and the accompanying explanatory statement were adopted unanimously by the Committee on Agriculture. It remains for me to express the hope that this proposal will be adopted by the largest possible majority of Members of the European Parliament. Mr President,

we have spoken previously of translation difficulties and this report has not been spared such difficulties. I have heard that there are to be three amendments but they are not available in any language because of translation problems. I am thus not in a position to comment on them at present but reserve the right to do so tomorrow morning before the vote.

**President.** — Tomorrow you will have the opportunity as rapporteur to say a little more about the amendments.

I call Mr Bournias.

**Mr Bournias.** — (GR) Mr President, the subject under discussion is concerned with certain matters which do not directly affect Greece. However, looking at the question from a broader perspective, we have to accept that the collection of accountancy data on incomes and on the agricultural economy in the various countries of the EEC is an extremely useful basis for making a rational study of the possibilities in agriculture and, where necessary, for taking decisions concerning the ever burning question of the common agricultural policy which the European Parliament has to adopt.

We know that agriculture in Europe was deeply influenced by the industrial revolution, by the colonial regimes which prevailed until the beginning of the present century and by the fact that these regimes disappeared after the end of the Second World War. In fact, the rapid development of industry in most European countries effectively placed agriculture in a secondary role as a productive force in the national economy which led to an increase in the volume of imports of cheap agricultural products from the colonies belonging to the different European countries at the time. After the Second World War the countries of Europe, on the one hand, were deprived of cheap agricultural products which had previously come from the colonies which they no longer possessed while, on the other hand, the rebuilding and the reorganization of European industry which had been destroyed in the war attracted even more labour with the result that agriculture underwent a further process of disintegration. The development of tourism, as we know, also played an important role in this process.

Consequently, restructuring and aid should be provided for those who really need it instead of for those who are thriving and a complete check should be kept on the agricultural situation, otherwise Community grants will be clearly wasted in going to support those who conceal their real incomes from the Community's audit. It is, therefore, particularly important to strengthen regulations for creating a network for the collection of agricultural accountancy data so as to enable Europe to discover in what regions it is profitable to produce and cultivate various agricultural products

**Bournias**

with a view to avoiding the waste caused by uneconomic cultivation. Attention should be given to developing the use of data and to increasing the cooperation between the Commission and Parliament. Without this cooperation and without reliable data on different countries and the different regions, future studies by the European Parliament on the common agricultural policy will be jeopardized.

**President.** — I call Mr Markozanis.

**Mr Markozanis.** — (*GR*) Mr President, since the data referred to will assist the implementation of a more rational common agricultural policy in the Community and since I believe that agricultural restructuring in the Community will be assisted by providing farms with all the data available, I am tabling three amendments to Mr Dalsass's motion for a resolution which I should like permission to read for the information of my colleagues as, as far as I know, there has been a delay in distributing them. My first amendment calls for a subparagraph (c) to be added to paragraph 4 as follows: 'In the case of Greece, a distinction should be made between mountain, semi-mountain and lowland farms so as to illustrate the specific characteristics of agriculture in each of these areas'.

The second amendment referring to paragraph 8 reads: 'The European Parliament considers that further improvements are needed in the collection and processing of the information gathered from farms which belong to the FADN in order to obtain the most up-to-date picture possible of the trend in farm incomes and returns per production unit in the Community; calls for progress to be made in the use of this information'.

Finally, a subparagraph (b) should be added to paragraph 12 as follows: 'The European Parliament requests that farms be provided with comparative data concerning farm incomes with reference to the kind of products produced, the acreage and the degree of mechanized cultivation in order to facilitate agricultural restructuring.'

Mr President, I believe that the adoption of these amendments by Parliament will have the effect of making Mr Dalsass's otherwise excellent report complete.

**President.** — I call the Commission.

**Mr Narjes, Member of the Commission.** — (*DE*) The excellent summary and analysis by the Rapporteur have greatly facilitated my task of answering within the prescribed time, namely by 6.30 p.m. I am most grateful to him for his opinion on the Commission's proposals which was unanimously endorsed by the committee. We too are able to subscribe to most of his observations.

The Commission's intention in putting forward these proposals is to strengthen the efficiency of all the Community agencies involved in the Common Agricultural Policy by providing them with the means of obtaining better information on the situation of farm holdings and in particular on agricultural incomes. We have already gained excellent experience of the agricultural accountancy data network over the past 15 years. The planned extension of the system is designed to ensure greater transparency of farm structures and will be a valuable aid to the Commission, Parliament and Council of Ministers in taking their decisions.

I wish to make one observation on the Rapporteur's proposal that the results obtained through the information network should be broken down in even greater detail by region: greater regionalization of the results is of course desirable. The Commission shares that view. However, the enormous increase in the scale of the accounting samples which this would entail would soon run up against technical, psychological and indeed financial difficulties. A further point which has been mentioned is the partial financing of the new national committees. The Commission's view is that the Community should have no financial commitment here because the costs involved are very low and also because the national committees have national functions in addition to their Community role. Financial provision for the work of those committees which meet only twice a year would entail more administrative expenditure than actual benefit.

Paragraph 11 of the motion rightly asks for the areas of responsibility to be reviewed. That suggestion made by the committee corresponds to the Commission's own conception. Following the creation of the national committees which will be responsible to the Commission, the different areas of application in the Member States and the competences of the area committees — in accordance with the management committee procedure under Article 19 — will have to be redefined. I wanted to confirm that point specifically.

The Commission also greatly appreciates the fact that the Committee on Agriculture and the Committee on Budgets were able to adopt their opinions unanimously. We therefore hope that Parliament too will be able to vote unanimously tomorrow.

IN THE CHAIR: MR ROGERS

*Vice-President*

The debate is closed.

**President.** — The vote will be taken at the next voting time.<sup>1</sup>

<sup>1</sup> Membership of Parliament — Welcome: see Minutes

### Question Time

**President.** — The next item is the first part of Question Time: Questions to the Commission (Doc. 1-278/81).

In the absence of its author, Question No 1 will receive a written reply.<sup>1</sup>

Question No 2, by Mr Kappos (H-50/81):

Is the Commission aware that the bulletins put out by the Commission's press department describes the newspaper *Rizospastis* as 'dogmatically communistic'?

Does not the Commission consider that this description is totally uncalled for?

Does the Commission intend taking measures to ensure that this slur against *Rizospastis* is not repeated?

**Mr Andriessen, Member of the Commission.** — (NL) I am able to give the Honourable Member the following information in answer to his question. It is correct that the expression referred to by him was used in an internal Commission document. The sole intention was to facilitate a distinction for internal purposes between *Rizospastis* and other comparable publications. The qualification was not used in an unfavourable or insulting way. I am also able to inform Mr Kappos that the Commission's services have been instructed not to use that expression in future.

**Mr Kappos.** — (GR) First of all, I am satisfied with the assurance that a description of this nature will not be repeated. However, I do not share the Commissioner's opinion that this description was used simply as a means of distinguishing *Rizospastis* from other newspapers. I am making a point of this because I have had bitter experience on this question.

**President.** — Question No 3, by Mr Balfe (H-64/81):

In response to Written Question 1071/80<sup>2</sup> and 1652/80<sup>3</sup>, designed to elicit the current salary of the President, the Vice-Presidents and the Members of the European Commission, expressed in units of account, the Commission has refused to publish these figures.

Regretting that two polite questions have failed to elicit this information in writing, will the President state in units of account, what is the salary of himself, the Vice-Presidents and the Members of his Commission?

**Mr Natali, Vice-President of the Commission.** — (IT) The basic monthly salaries expressed in Units of Accounts are as follows: 9 341.03 for the President,

8 461.08 for the Vice-Presidents and 7 614.95 for the other Members of the Commission. After deduction of tax these amounts — i.e. the salaries of Commissioners who do not have dependent families — are reduced to 6 235.96 Units of Account for the President, 5 712.38 for the Vice-Presidents and 5 208.94 for the Members.

**Mr Balfe.** — May I thank the Commissioner for that answer and say I regret that it has taken me two written questions and one oral question to obtain a piece of information which should have been much more readily obtainable? Would he like to comment on the point recently made in the German press, that it is not accepted in many quarters in Europe that the pay-scales currently accorded to the President and Members of the Commission should be so far out of line with those accorded to Heads of State? As an example, the President of the Commission receives well over twice the salary of the British Prime Minister and approximately twice the salary of the Federal German Chancellor. I wonder whether the Commission considers that the President is twice as useful as either of those two people or alternately as useful as both of them put together?

**Mr Natali.** — (IT) I am certainly not in a position to assess the relative merits of Prime Ministers. I should just like to say to the Honourable Member that these salaries are fixed on the basis of a regulation which has been approved by the Council of Ministers. Obviously when they adopted that regulation the Ministers felt that the President, Vice-Presidents, and Members of the Commission were indeed worth twice certain Prime Ministers.

(Laughter)

**President.** — Before we proceed to the next question, I should like to welcome, if I may, Mr Pisani on his first appearance in the Chamber as a Commissioner. As an old friend and colleague, it really is a pleasure to see you here, Sir, and I am quite sure that at some point during Question Time you are going to receive an opportunity to display your considerable skills.

(Applause)

I know that Mrs Veil will want to welcome you, but I am sure she will be doing so for different reasons from mine.

Question No 4, by Mrs Pruvot (H-68/81):

In its communication on Community action in the cultural sector, the Commission indicated and explained its intention of introducing a directive to make resale rights generally applicable. The supplementary memorandum of 1980 referred to the preparation of a directive, and an initial draft was discussed with the groups concerned (artists in the plastic arts and art-dealers) at a meeting on 20 June 1980 in Brussels. What has the

<sup>1</sup> See Annex of 17. 6. 1981.

<sup>2</sup> OJ C 288, 6 November 1980, p. 25.

<sup>3</sup> Bulletin No 53/80.

**President**

Commission done since that meeting and what is it now doing as regards the preparation, which, in the normal course of events, should now be further advanced, of a directive aimed at making the resale rights of creative artists in the plastic arts generally applicable?

**Mr Narjes, Member of the Commission.** — (DE) Following on from the information already given by the Honourable Member in her question, the Commission wishes to point out that the meeting of 20 June 1980 was followed up by a series of further discussions. We have found that there is a general interest in ensuring the widest possible geographical base for resale rights in Europe. The Commission will therefore consult the Council of Europe to ascertain whether it is willing to take measures for the general introduction of resale rights in its Member States irrespective of whether they belong to the European Community. If the Council of Europe agrees, the Community will give full support to its endeavours.

**Mrs Pruvot.** — (FR) Does the Commission intend to put forward proposals for a directive? If so, how soon?

**Mr Narjes.** — (DE) Let me repeat my answer: our discussions with the relevant interest groups showed a general wish for arrangements regarding resale rights to be given the widest possible geographical base. The reason for that is that any Community regulation which does not cover the large Swiss art market can only lead to discrimination and will not serve the interests of the cultural groups concerned. We therefore propose initially to ask the Council of Europe to introduce general rules on resale rights extending beyond the territory of the European Community; we shall give our support to the Council of Europe in this. A Community directive therefore cannot be expected in the immediate future.

**Mr Coutsocheras.** — (GR) I should also like to ask the Commissioner what measures are to be taken so that practical assistance can be given to creative artists who make a considerable contribution to society. I ask this because from what I have observed in the short time that I have been here — and because I also belong to the Council of Europe — I must confess that the European Parliament gives precedence to economic institutions with cultural institutions taking second place. I should just like to know what precedence you give to artists, writers, poets and men of culture in general and how you really think they should be assisted and given the recognition which they deserve.

**Mr Narjes.** — (DE) May I point out to the Honourable Member that we are concerned here specifically with resale rights and do not propose to engage in a general cultural policy debate dealing with the position

of artists in the European Community. I might add that the specific background to this question of resale rights is the wish to bring about equality, acceptable in terms of social policy, between artists in all the Member States. To that extent the measures about which we have spoken are relevant to cultural policy.

**Mr Collins.** — Do the Commission's intentions extend beyond Mr Narjes's use of the word 'artist' to people like musicians and actors and so on, as there is a problem here about the resale of their products where they are, for example, made available on records, video cassettes and the like? I wonder whether the proposal which the Commission is considering extends in this direction.

**Mr Narjes.** — (DE) My answer will be very brief: all our discussions — including those relating to resale rights — relate solely to the plastic arts at this stage.

**President.** — Question No 5, by Mr Combe (H-70/81):

Does the Commission not feel that, in order to combat moonlighting and wastage, the VAT rates applicable to repairs, maintenance and the provision of services could be harmonized at the reduced level already envisaged for many agricultural services, essential goods and cultural services in the Member States?

**Mr Contogeorgis, Member of the Commission.** — (GR) As regards VAT the Commission is directing efforts mainly towards the introduction of a common basis for VAT in the whole of the Community. We took a major step towards this goal with the implementation of the sixth directive, but there still remain many unsolved problems for which we are proposing further legislation such as, for instance, the draft seventh directive on taxation on works of art and antiques. The Commission has still not submitted proposals for the components of VAT because we must — if we are realistic — manage to fix a common basis for taxation before proceeding to the more ambitious objective of common components of taxation in all countries of the Community.

However, last year the Commission drew up a report which was also submitted to Parliament on the convergence of taxation systems in the Community. In this report we set out our opinions on how the problem should be tackled by first of all deciding what VAT components there should be in the Community and then how these components should be allocated to different products and services. Each approximation should be broadly based and should include all goods and services liable to taxation.

As regards the appropriate component for the services referred to by the honourable Member of Parliament, i.e. repair and maintenance services, under the present

### Contogeorgis

circumstances the matter is the sole responsibility of each Member State. However, there is probably a good reason for avoiding a high component since, unlike the situation in which goods are produced, it is difficult in practice to keep a check on these activities aimed at providing the services referred to in the field of repairs and maintenance and there is also the danger of tax avoidance which leads to the danger of hidden competition in services. But we must also accept that it is mainly isolated individuals, rather than persons and firms liable to pay VAT, who indulge in moonlighting without paying VAT.

As regards the other matter concerning the need to combat wastage caused by excessive taxation on the repair of consumer goods, this is an important point which should be looked into. However, on this point one also needs to take into account the employment aspect.

For the present, Mr President, the problems concerning VAT rates are being dealt with solely by the Member States and the Commission is only in the preliminary phase of elaborating a common system of VAT rates for the future. There should be a broad-based process of approximation towards this system which should cover all goods and services liable to the tax.

**Mr Combe.** — (FR) Since the Commissioner is convinced of the need to try to reduce the VAT rate on these activities in an initial stage, can the Commission not submit a corresponding proposal to the Council? Everyone today is hoping for a reduction in the working week and it is inevitable that moonlighting will increase as a result; this proposal would help to stop it from spreading.

**Mr Contogeorgis.** — (GR) I should like to repeat to the honourable Member of Parliament that the matter is still in the early stages and we have still not reached the point where the same VAT rates can be levied on the same goods in all the countries of the Community. This matter is still the sole responsibility of the Member States.

As regards the second matter concerning the reduction of the rate of VAT on services which, for the main part, are provided by skilled individuals who often avoid paying VAT, on this point also the Commission is not in a position at this stage to undertake any obligation concerning the length of time required to achieve this since the matter is still in the early stages.

**Mr Møller.** — (DA) I have one supplementary question on a matter which has really far-reaching implications. We know that the Commission works hard at harmonizing legislation, but I should like to ask whether it should not be proceeding the other way

round, that is to say, getting the free trade area, the common market and the market economy working properly. If we could get the market economy working, is it not true that the individual Member States themselves would then seek harmonization in order to remain competitive with the other countries, provided our free trade area is functioning properly? Therefore, I ask the Commissioner whether he does not think that the Commission should be concentrating more on doing away with aids, subsidies, etc., rather than on pushing through artificial harmonization measures which weigh heavily on the Member States.

**Mr Contogeorgis.** — (GR) I should like to say again that VAT was introduced as a basic means for restoring equal conditions of competition in the Community. Of course, the main goal and the final aim is for these components to be the same in all the countries. The Commission is working in this direction but I should like to repeat that it is still far too early for us to say when we shall be able to reach this point.

**Mr Purvis.** — The Commissioner has repeatedly said that the VAT rates are the responsibility of the Member States and governments themselves, but in one particular case I understand it is the Community that has decided that charities are liable to pay VAT on repairs and maintenance. As the Commissioner is apparently planning to undertake a major review of the whole situation, could he undertake and promise that the position of charities will be reviewed and that they will be in some way relieved from the incidence of VAT for maintenance and repair work on their buildings?

**Mr Contogeorgis.** — (GR) I don't think that this matter has any connection, at least not directly, with the question of VAT. I don't see that there is any relation between the two matters and I am unable to give a reply to the honourable Member of Parliament's question.

**President.** — Question No 6, by Mrs Ewing (H-71/81):

In view of the suitability of Edinburgh as a financial and legal centre with excellent transport facilities and of the need to stimulate interest in Scotland in the European Community, will the Commission make immediate contact with the Scottish Office and other appropriate authorities with a view to siting the proposed Community Trade-Mark Office in Edinburgh?

**Mr Narjes, Member of the Commission.** — (DE) The Commission considers it too early to adopt a position on any specific town as the possible seat of the Trade-Mark Office. In its proposal for a regulation on Community trade-marks, the Commission therefore

**Narjes**

intentionally proposed an open formula in Article 99 (3) which reads "The office shall have its seat in . . .".

The Commission will submit appropriate proposals to the Council in due course. The reasons for the ultimate choice are explained in the remarks accompanying Article 99.

**Mrs Ewing.** — I am sure the Commissioner will forgive me for putting in my oar and putting forward the name of Edinburgh, not only for the reasons mentioned in the question itself, the financial and banking centre that Edinburgh represents, but also in view of the Commission's own proposal that an attempt be made to approximate the national laws on trade marks. I would recommend Edinburgh, as the capital of Scotland, since Scots law is peculiarly an approximation already, Scotland being a member of the European family and yet having had a common legislature with another great system, the English system, since 1707: it therefore already offers that approximation which the Commission in their own proposals recommends. I am really urging the Commission to bear these factors in mind when they stop putting dots down and come to naming a place.

**Mr Narjes.** — (*DE*) The Commission has noted with interest the impressive description of the advantages of Edinburgh. It will take that into account in its decisions. May I point out, however, that seven other towns have already emphasized their advantages in one form or another.

**Mr Marshall.** — Whilst the Commission regards it as too early to consider any specific seat, can we have an assurance from the Commission that they will seek to site this office in an area of the Community which is underprivileged and does not have a large number of Community offices, inasmuch as the more widely spread the Community institutions are, the wider will be the interest in the Community? Can he give us an assurance that he will consider the pre-eminent claims of London, which is the foremost financial city in the Community, has much legal expertise and excellent international communications, amongst other benefits?

**Mr Balfé.** — Whilst appreciating Mrs Ewing's wish to site the office in Edinburgh, that being a socialist city, may I draw attention to the fact that London is now also in that happy position and that, although it is not often realized, unemployment in South London is over 10% and we can offer all of the advantages that can be found in Edinburgh.

**Mr Hutton.** — I wish to ask the Commissioner if he has considered the merits of seeking an extension to the Madrid Agreement throughout the EEC — which would, of course, avoid the necessity of spending

Community money on a trade-marks office — and what problems would he see in doing so?

**Mr Narjes.** — (*DE*) The first question was whether I could give an assurance that this office will not be sited in a town which already accommodates many offices of the Community institutions. At present I can go no further than referring you, as I already have done, to the explanatory remarks accompanying Article 99. I refer you to that text for the sake of brevity because it indicates some of the criteria by which the Commission will be guided in making its proposal. As regards the Madrid agreement, I would point out that it raises a fundamental problem of trade-mark law. Adoption of the Madrid agreement would be tantamount to abandoning separate Community trade-mark legislation. I do not think that a majority of the Member States or of the interest groups concerned would favour that solution. It seems to me that the need for specific Community trade-mark legislation is generally recognized and I would welcome the European Parliament's support in this matter when the subject comes up for detailed debate.

**Miss Hooper.** — In view of the Commissioner's replies I would simply ask him to confirm that in this context I had already raised and suggested the name of Liverpool as a possible trade-mark centre.

**President.** — Question No 7, by Mr Haagerup (H-73/81):

Will the Commission kindly state how far it took into account two reports by Danish bodies, Miljøstyrelsen (the Environment Administration) and the Danish Dairies Association, in drawing up its proposal for a directive on the production, marketing, use and disposal of containers of liquids for human consumption, why its proposal is diametrically opposed to the conclusions of these two reports, and the expected financial implications of the directive for the retail trade, especially the numerous small independent traders?

**Mr Narjes, Member of the Commission.** — (*DE*) It is not possible to quantify by mathematical methods to what extent a particular scientific study has been embodied in a Commission draft but I am able to assure the Honourable Member that when the preliminary work on the packaging directive was done all information received from Denmark and from other Member States was taken into account. The two reports mentioned by you were also specifically drawn to the notice of the President of the Commission in a letter last January to which the President replied.

Before the proposed draft was adopted by the Commission it was repeatedly examined in the light of experience and information from the Member States. You suggest that the proposed directive adopted by the Commission is diametrically opposed to the

**Narjes**

content of the two Danish reports. I do not think that is true. The draft does not contain a prohibition on one-way packaging and leaves it to the individual countries to decide how best to reduce the burden on the environment created by that form of packaging with a particular view to using less raw material, e.g. through multiple use, reprocessing of waste material and utilization for the production of energy. The Commission feels that each Member State should define its own targets, notify them to the Commission and then report on whether those aims have been attained or not. Measures taken by the Member States to pursue those aims must on no account — this is particularly important — create barriers to trade. I therefore do not believe that small independent retailers will necessarily be faced with extra costs as a result of this directive provided that it is carefully implemented by the Member States.

**Mr Haagerup.** — (DA) I thank the Commission for its answer and am particularly glad to hear that it is the Commission's express intention to leave it to the individual Member States to decide what measures are needed, from the environmental angle, too. For the record I should like to ask how the Commission can possibly imagine that the Danish studies, which do appear to point in a different direction from the substance of the proposed directive, would not have taken account of the health and hygiene aspects and is the Commission not aware of the advantages — hygienic and economic — of using disposable containers?

**Mr Narjes.** — (DE) May I repeat that the Commission has simply prepared a framework for action by the Member States through this proposal; within that framework it is left to the Member States to issue detailed provisions and rules in conformity with their own hygiene and health legislation. Consequently adoption of these provisions in Denmark could not cause any fundamental problems, but Mr President, this is not the appropriate occasion for a detailed debate on the health aspects of various packaging techniques. The Commission would be perfectly willing to give a detailed reply to a question from the Honourable Member on that point.

**Lord Bethell.** — I wonder whether the Commissioner is aware that every time a citizen of our Community buys a can of Guinness — the headquarters of which is in my constituency — half of what he spends goes on the can. Does he not think it is absurd that a person spends as much on the can as on the contents of the can? And does he not also believe that the environmental consequences of this situation are very bad indeed?

**Mr Narjes.** — (DE) The Commission shares the Honourable Member's concern. It is one of the aims

of our regulations to bring about a drastic reduction in wastage generated by packaging. The Commission believes that in the Community as a whole some 10% of all refuse is represented by packaging materials; the directive is intended to help to bring about a sharp reduction in that total through the introduction of reusable containers and so forth.

**Mr Collins.** — I understand that this question is really about consultation and not really about cans, but I accept that the Commission does consult very widely and has consulted very widely on this. But I wonder if Mr Narjes will agree with me that this problem which has arisen illustrates really the difficulty of making the work of the Community transparent. Will he therefore agree with me that the Commission could make a contribution to this by publishing in an annex to each proposal that they make a list of those people and agencies that they have consulted in arriving at their proposal?

**Mr Narjes.** — (DE) Since that raises a question of principle relating to the presentation of our decision-making processes, I should like to discuss the point first with my colleagues in the Commission.

**Mr Welsh.** — Is the Commission proposing a directive that will outlaw the use of ringpull cans? Could they tell us whether they will withdraw it or not?

**Mr Narjes.** — (DE) If I have understood the technical content of that question correctly, the regulation does indeed cover the further use and extent of further use of that type of package. I therefore think we should leave it to the committee to consider to what extent restrictions are desirable.

**Mr Coutsocheras.** — (GR) Is the Commissioner aware of the serious environmental dangers presented by the use, abuse and disposal of nylon? And is he aware that we are running the risk of polluting the world with it since nylon is not bio-degradable? Is the Commissioner aware of this matter?

**Mr Narjes.** — (DE) The Commission is well aware of the fundamental problem alluded to in the Honourable Member's question. That is one reason why we hope that this directive will help to cut the total amount of waste material by some 10%.

**President.** — In the absence of its author, Question No 8 will receive a written reply.<sup>1</sup>

<sup>1</sup> See Annex of 17. 6. 1981



**President**

Question No 9, by Mr Calvez (H-78/81):

Does the Commission not agree that anti-dumping or countervailing measures should be taken in the light of the upsurge in exports of textiles from the USA to the EEC?

**Mr Narjes, Member of the Commission.** — (DE) Anti-dumping measures already exist against imports of certain textile products from the United States and the Commission has always stated quite clearly that it is prepared to introduce further anti-dumping procedures once it has received an application from the relevant branch of industry in the Community accompanied by sufficient evidence of dumping practices and of damage suffered as a result which would justify us in taking action. At present the following anti-dumping measures apply to textile products from the United States: definitive anti-dumping duties have been levied on imports of polyacryl spinning fibres, polyacryl spinning thread and polyester yarn. A provisional anti-dumping duty is charged on polyester fabric imports and a price condition applies to imports of polyamide yarns.

**Mr Calvez.** — (FR) Does the Commissioner not share the view that the European textile industry is liable to face an extremely difficult situation and that urgent measures are therefore necessary?

**Mr Narjes.** — (DE) The Commission is fully aware of the problems of the European textile industry. As regards textile imports from the United States referred to specifically in the question, I would point out that those imports are no longer increasing at present. They have been falling continually since the end of 1980. The decline was 27% in the first two months of this year as compared with the same period of 1980. There are certain differing trends within this overall pattern, particularly as far as clothing is concerned. As regards other cost aspects of competition from the United States, the Commission is also aware of the problems resulting from the current more favourable US feedstock regulations which enable industry to obtain naphtha in particular more cheaply than on the world market. The Commission is making representations for these cost advantages in the United States to be eliminated as quickly as possible by advancing the date for the deregulation of gas.

**Mrs Kellett-Bowman.** — The Commissioner has said that the imports from the United States are decreasing. Alas the market in Europe is also shrinking. It is not only the US exports to Europe, which are bolstered — as he pointed out — by unfair energy pricing but it is also the refusal of the United States to accept her fair share of textiles from the developing countries which causes the problem. Will he bring pressure to bear on the United States in both those respects?

**Mr Narjes.** — (DE) May I point out to the Honourable Member that this question related solely to the United States; I therefore referred only to the United States in my answer.

Secondly, the decline of 27% was greater than that of general textile consumption in the Community. To that extent the United States lost a share of its market in the Community.

Thirdly, we are of course aware of the problems arising in connection with feedstocks for synthetic fibres; may I repeat my assurance that in the coming weeks and months the Community will be making urgent representations to the United States Government to take rapid measures in this area.

**Mr Chambeiron.** — (FR) I shall confine my observations to the United States as the Commissioner wishes. I have heard it said that textile imports from the United States were falling which the Commissioner believes is a positive factor.

But I have also read in the press, Commissioner, that a meeting took place at the end of May between the Commission and fairly high-level representatives of the Reagan administration in which textiles as well as motor vehicles and agricultural products were discussed. According to statements reported in the press, it would appear that the US representatives brought fairly strong pressure to bear on the Commission in an attempt to bring about a small reduction in Community exports to other third countries which might disturb American policy. Will you give us an assurance, Commissioner, that the Commission is not willing to accept injunctions of that kind and is preparing to define a policy which takes the maximum possible account of the interests, the industry and agriculture of the Community Member States?

**Mr Narjes.** — (DE) It is quite true that high-level negotiations took place with the United States in May; in the course of those negotiations, we directed, as I have already said, urgent requests to the United States Government to reduce the dumping aspect of textile exports by the United States. If I am not mistaken, the next round of these talks is to take place early in July in Washington and these topics will be on the agenda.

Secondly, as regards industrial products I am not aware of the criticism made by you. I do not know of any product in the case of which the United States have asked the Community to cut back or restrict their exports to third countries in order to maintain the market for American exports of industrial products to those countries. If you were referring to agricultural products in your question, we are still at the stage of initial contacts with the United States Government and must wait until a clear and binding policy has been defined for the period of office of the present US Government.

**Mr Seal.** — Would the Commissioner tell us what progress has been made in publishing the Commission's ideas both on outward processing and dumping in textiles, bearing in mind of course that Commissioner Davignon — I am sorry he is not here — made a statement to the Committee on Economic and Monetary Affairs on 25 and 26 February to the effect that this would be published during the first week in March. Bearing in mind further that the carpet industry in the United Kingdom, particularly in West Yorkshire, has been systematically destroyed by the textile import penetration from the United States, it is no good the Commissioner telling this House that the overall level of textiles is dropping, because whilst this may be true, in fact the sales of textiles in the United Kingdom are increasing as a percentage of the sales, although the overall imports are dropping. So the market is being increasingly damaged.

**Mr Narjes.** — (DE) If I have understood the question correctly, it relates essentially to competition in the area of synthetic spinning fibres as it affects certain undertakings in Yorkshire. I do not have immediate information on the structure in Yorkshire but I would point out that the Commission is conducting intensive talks with the United States and negotiating on the reduction of the cost benefits accruing to American industry from the fact that it is able to purchase raw materials for the production of synthetic fibres more cheaply than on the world market. That is why we are asking for gas prices to be deregulated in advance of the due date.

Secondly, from the legal angle, I might add that if it is more difficult to introduce compensatory tariffs under GATT for this particular reason than in other situations which might lead to anti-dumping measures, that is because the double price structure for oil and gas is not one of the types of subsidy expressly prohibited in GATT. In its bi-lateral negotiations with the United States, the Commission can therefore only attempt to seek analogous application of the existing GATT rules. I repeat that we are making constant representations to that end, not least because of the cases which have been reported to us from the British textile industry.

**Mr Enright.** — There was one part of Mrs Kellett-Bowman's question that the Commissioner did not answer, and I hope not deliberately. It concerned developing countries and the entry of their textiles into the United States. This is a very important matter indeed, and it is the obverse side of that particular coin that we should be arguing. I should like to know how far the Commission is bringing this into its discussions. It is particularly disturbing when NICs are being denied access. At least one of those NICs is very fiercely supported by the United States in political terms, though not quite so fiercely elsewhere.

**Mr Narjes.** — (DE) The question from which this discussion arose related to textile exports from the United States to the European Community. Further to my previous answer I can state that the Commission is perfectly aware of the special relations in respect of these products between the developing countries and the United States and of the effect which that has on the European Community.

**Mr Cousté.** — (FR) Is it true that imports have fallen by 27% as stated by the Commissioner?

If so that figure corresponds exactly to the variation in the value of the dollar in relation to the basket of EMS currencies. That is not a success which deserves to be reported to this House.

**Mr Narjes.** — (DE) I was not quoting the figure as a success or failure but simply as a description of the present situation. I agree completely with the Honourable Member that the appreciation in the value of the dollar has been a main contributory factor; despite preferential supplies of naphtha and other derivatives, that is why the United States textile industry has temporarily lost its market edge in Europe — as long as the dollar parity remains so high.

**Mr Welsh.** — The Commissioner has made two extremely important statements in his replies to Mr Calvez and later, I think, to Mr Enright. He implied that in the discussions with the United States the Commission was asking the Americans to make some sort of compensatory concession in respect of their underpricing of textile feedstocks. Does that mean that the Community is in fact seeking compensation from the Americans? If so, what sort of compensation would the Commission regard as suitable? Does that mean in turn that they have now abandoned their efforts to persuade the United States administration to deregulate the price of natural gas?

**Mr Narjes.** — (DE) Quite the contrary! I have tried to make it clear that in its negotiations with the United States the Commission is essentially trying to ensure through advanced deregulation of natural gas prices that the indirect preference enjoyed by the American textile industry is terminated. That is our essential objective. To the extent that this may prove impossible or impossible to achieve within a reasonable period, the question naturally arises as to what action can be taken under GATT. I have already pointed out that GATT does not refer to a double price structure for gas and petroleum as a prohibited subsidy measure; we must therefore seek an extension by analogy with the GATT subsidy rules. We could then threaten compensatory measures if deregulation is not advanced.

**President.** — Question No 10, by Mr Galland (H-79/81):

Is the Commission aware that the proposed link between Honda and British Leyland threatens seriously to disturb the balance of forces in the European motor industry and hence distort competition within the common market?

**Mr Andriessen, Member of the Commission.** — (NL) The Commission has no information that Honda is proposing to participate in the capital of British Leyland Limited or to enter into an alliance with British Leyland; it does however appear that Honda is proposing to cooperate in a different manner and on a broader basis with British Leyland than has been the case up to now. Early this year it was reported in the press that Honda would be taking a capital holding in British Leyland but British Leyland has since denied those reports and, according to the Commission's information, the matter has not been raised again since.

**Mr Galland.** — (FR) If the subject has been discussed at all that means that the problem has in fact arisen. What interests me is the future. At a time when the European motor industry is engaged in a dramatic struggle with the Japanese industry, do you not think it abnormal that a European motor group should favour Japanese penetration of the market? And that being so, do you not think that the Commission should have the legal means to facilitate a regrouping of the European motor manufacturers as has been done in the aircraft construction sector?

**Mr Andriessen.** — (NL) There can be no doubt that the rules relating to competition contained in Articles 86 and 87 of the EEC Treaty also apply to the developments outlined by the Honourable Member. But the mere fact that there may be cooperation between a British undertaking and an undertaking from a third country does not constitute a reason for invoking those articles of the Treaty. Their application must depend on the actual degree of the various forms of cooperation. The existing form of cooperation has been reported to the Commission and is being examined at present. The Commission proposes to take a decision on it at an early date. Any further extension of this cooperation — about which the Commission knows nothing at present but which might of course arise — would have to be examined again in the light of the existing provisions. The Commission can say no more than that at present.

**Miss Forster.** — Would the Commissioner not agree that the deal between Honda and British Leyland is in fact really a licensing deal for the transfer of know-how which will enable the production of a medium-sized car and therefore the preservation of several hundred jobs, and is not really very different from the

deal between Nissan and Alfa Romeo and Nissan and Volkswagen. Would he also not consider the question of Nissan's proposed direct investment in the UK, which some of us would welcome but only if there are watertight undertakings about the percentage of components which are to be bought from the EEC and which I personally believe to be at least 80%?

**Mr Andriessen.** — (NL) It is true that cooperation between the undertakings concerned may be favourable for the transfer of technology and know-how and may in that way contribute to the maintenance or improvement of the economic viability of European undertakings. That aspect must be taken into account when the Commission makes a global assessment of the situation. To that extent I am able to give a positive answer to the Honourable Member's supplementary question.

**Mr Herman.** — (FR) After the announcement of an agreement to restrict imports of Japanese cars into Germany on the one hand and the Benelux countries on the other, what purpose can there still be in the mandate given by the Council to the Commission to negotiate in that area with Japan, and what credibility can still be accorded to the Council of Ministers who give you such a mandate and then go on to negotiate separate agreements with Japan?

**Mr Cottrell.** — I think this question is extremely important, and I tend to agree with the philosophy that Mr Galland may have had in asking it. Would the Commissioner agree that what the Japanese are about — and we should not be naïve about it — is to open a forward manufacturing base inside the Community, and that this is almost certainly going to lead to the loss of more jobs in the European car industry than it will gain?

**Mr Andriessen.** — (NL) It is not clear at present whether that must inevitably be the consequence. There may of course be some shift in the pattern of production but I am convinced that if such cooperation between undertakings has these consequences the reason can only be attributed to the economic system which functions in Europe and in the common market. The mere existence of cooperation cannot be a reason for the Commission to intervene on the basis of the Rules on Competition laid down in the Treaty. Such action would only be justified if the activities by the undertakings concerned led to an unacceptable distortion of competition on the market. The Commission is aware of the situation and is studying the matter but only on the basis of the criteria which I have indicated. I do, however, agree with the Honourable Member that under some circumstances a change in the structure of production may have disadvantageous consequences for other undertakings; in my

**Andriessen**

view, that in itself does not constitute an adequate reason for application of the Rules on Competition in the manner suggested.

**Mr Simmonds.** — In his question, Mr Galland refers to a balance of forces in the European motor industry. Is Mr Andriessen aware of a balance of forces in the European motor industry at the moment, because if there is one it has escaped me? Furthermore, will Mr Andriessen ensure that a full briefing is made available to Mr Galland on what precisely is proposed between the Honda motor company and British Leyland?

**Mr Andriessen.** — (NL) Even if there are certain imbalances, as I recognize, on the motor vehicle market and in the European motor vehicle industry, and although I readily understand the background to Mr Galland's question, I must still state that the mere fact of the existence of these imbalances does not justify application of the special Treaty provisions in the manner suggested by the Honourable Member. The Treaty provisions can only be applied if this cooperation between industries leads to an intolerable deterioration in the conditions of competition. Otherwise we must accept the fact that the Treaty provisions on competition allow cooperation of this kind and that fact cannot be changed; it is simply a provision contained in the Treaty.

**Sir Frederick Warner.** — What the question appears to be recommending is a new form of protectionism — protection against investment from outside the Community. If we had followed that in the past, I do not know where we should be: we should have no American investment. Would the Commissioner agree that the Commission should never under any circumstances obstruct collaboration with foreign companies where this appears to be to the benefit of the European motor industry and where it is clearly intended to be such?

**Mr Andriessen.** — (NL) If I have understood the questioner correctly, he agrees with me that in applying its competition policy the Commission must refrain from all protectionist measures and protectionist provisions because in the long run that would not be in the interest of the economic development of the Community as such. To that extent I endorse the Honourable Member's views.

A further question is whether there is any reason to take temporary Community measures — in other words not bilateral actions of which, in the Commission's view, there are too many at present — in order to improve the viability and competitiveness of European industry. That is another matter, but as regards the fundamental objectives, I agree with the Honourable Member's remarks.

**Mr Seligman.** — Does the Commissioner not agree that we in Europe unfortunately do need to learn a lot from Japanese production methods, management methods and particularly their labour relations? They are outstanding wherever we have examples of them in Britain at the moment.

**Mr Andriessen.** — (NL) It would seem that in the course of history Europe has taught the world a great deal and that at present Europe can itself learn something from other countries.

**President.** — In the absence of their authors, Questions Nos 11, 12, 13, will receive a written reply.<sup>1</sup>

Question No 14, by Mrs Fourcade (H-107/81):

Does the Commission think that the Brussels decision on prices will really affect the market price of most fruit and vegetables?

**Mr Contogeorgis, Member of the Commission.** — (GR) On behalf of the Commission, I should like to remind you that, as regards fruit and vegetables, a system for safeguarding prices with basic prices and purchase prices fixed annually by the Council of Ministers is only applied to nine products, namely tomatoes, cauliflowers, potatoes, pears, peaches, table grapes, oranges, tangerines and lemons. These price measures taken by the Council to which I referred may of course lead to the producer increasing the average market price for these products. Meanwhile, however, by means of a system of interventions in market products when there is a surplus, particularly low sale prices can be avoided.

**Mrs Fourcade.** — (FR) I would like to know what the Commission thinks about the direct aid amounting to several million florins given at present by the Netherlands Government to certain horticultural producers in that country? That aid definitely amounts to an unacceptable distortion of prices in the Community which can only lead to a further deterioration of the disturbing situation as regards the price of fruit and vegetables, to say nothing of the serious consequences on the earnings of producers in other Community countries.

**Mr Contogeorgis.** — (GR) Whenever the Commission feels that producers are receiving aids which are likely to distort free competition on equal terms within the Community, then it intervenes and, in accordance with the procedures laid down in the Treaty, measures are taken to ensure that the grants in question are discontinued. If the Dutch Government is giving aids of this kind they will be scrutinized by the Commission as happens in all similar cases.

<sup>1</sup> See Annex of 17.6.1981

**Mr Welsh.** — The Commissioner may not be aware of this, but the Commission has, in fact, already checked the question of the Dutch subsidy and it was described by Vice-President Gundelach last November as the most serious distortion of the market. I don't understand what further checking is necessary, so could the Commissioner tell us what action he proposes to take on this admittedly grave distortion to the market in vegetables and horticultural products, particularly as the Dutch Government has just announced a national aid of 300 million guilders to their producers to tide them over the period until 1984 when they have decided to charge them a reasonable price for gas?

**Mr Contogeorgis.** — *(GR)* As I said to you earlier, all aid, whether provided directly or indirectly through cheap fuel prices, which leads to a distortion of equal competition is a violation of the provisions of the Treaty and, consequently, should not be allowed to be implemented. As regards these facts and these complaints the Commission will carry out investigations and should it find that there are aids which are in fact distorting competition then the appropriate measures will have to be taken.

On the point concerning the reply which my former colleague, Mr Gundelach, gave last year, unfortunately I am not in a position at the moment to provide Parliament with any further facts as I am not acquainted with the issue since I was not even a member of the Commission last year.

**President.** — That is a rather serious statement. I am sure there must be some continuity. Mr Welsh says that the Commission in the person of Mr Gundelach gave this information last November and wants to know what further action you, as his successor, are going to take on the matter. If the rights of Members are to be protected I don't think the Commission can come up with answer such as 'Well, my predecessor said something and I don't know what it was'.

I would not want to embarrass you, Mr Contogeorgis. If you are saying that you have no specific knowledge of this but will let Mr Welsh know as soon as possible, that is a different matter, but I don't think that Parliament could accept that a Commissioner can answer by saying it was before his time. Otherwise we would be moving along in five-year lurches.

**Mr Contogeorgis.** — *(GR)* That is not the sense, Mr President, in which I made my reply. Of course there is continuity in the Commission. I simply pointed out that I do not know exactly what my former colleague, Mr Gundelach, said and that is a fact. However, this does not mean that the Commission is lacking in continuity in its responsibilities and, as regards the observations made by the Honourable Members of

Parliament on the question of aids from Holland for fruit and vegetables that are provided either directly or indirectly by means of cheap fuel thereby distorting competition, I shall pass on these remarks and they will be properly examined by the Commission and should action need to be taken then Parliament need not doubt that the Commission will carry out its duty.

**President.** — Well, perhaps the Bureau of Parliament would like to take this up with the Commission, and Mr Welsh might like to pursue it further in the form of a written question, or perhaps another oral one.

**Mr Marshall.** — The recent report by the House of Lords Committee showed that the bulk of fruit sold into intervention was then destroyed. Would the Commissioner not agree that the destruction of good food is a crime, and can he give a guarantee that the Commission will look at ways of giving this food away to charitable institutions which would be much more sensible, one might almost say more fruitful?

**Mr Natali, Vice-President of the Commission.** — *(IT)* Mr President, may I point out that it is impossible to proceed in this way. The question put by Mrs Fourcade concerned the market price of fruit and vegetables. The Commission clearly has a duty to answer questions put to it but obviously if we move on from a general question to a whole series of specific questions relating to an entire sector, the Commission cannot be in a position to give proper answers.

**President.** — As I recall it, Mrs Fourcade put down the question which is shown here. In her supplementary she then, as she has a perfect right to do, related this question to the general topic of the issue. Having done that, Mr Welsh simply reiterated what Mrs Fourcade said. She asked virtually the same question in the supplementary. Mr Welsh queried what had been done in the seven months since the information had been received. So really he did not extend it any further. Now, I am quite sure that the translation is excellent, but that was the sequence of events. I accept that we have come to the position now where the Commission is not in a position to give the answer and the best thing to do is to admit that. In view of this we will leave Question No 14 — I am sure Members who are interested will want to take it further — and we will go to Question No 15 by Mr Griffiths (H-115/81):

What new initiatives are the Commission proposing to deal with the growing problem of the 'social aspects' arising from the continuing massive restructuring of European industries such as steel, shipbuilding, textiles, chemicals and motor vehicles?

**Mr Pisani, Member of the Commission.** — *(FR)* The Commission has always maintained that there can be no economic restructuring without simultaneous or

**Pisani**

previous measures relating to the social situation of the region or sector concerned.

When the 1981 budget was voted, only a token entry was made for action of this type in the budget. Parliament does not seem to have turned this point into a major factor in its confrontation with the Council. That being so, the Commission is unable to make useful proposals in this area. In the weeks to come and in the course of the preparation of the 1982 budget it will probably be highlighting a number of critical areas and making proposals on them.

May I stress, on behalf of the Commission, that there can be no question of a general and global definition of intervention of this type; each sector or region experiencing a crisis must be the subject of a careful study since each such sector or region merits an appropriate response. It follows that the Commission will be able to give its answer during the forthcoming budgetary debate and when the budget comes to be implemented with a full knowledge of the problems needing to be solved.

**Mr Griffiths.** — Those were fine words spoken by Commissioner Pisani about the desirability of forward planning to meet crises in industries, but what is his opinion of the likelihood of a tripartite agreement between the Commission, Parliament and the Council establishing a significant line in the budget to deal with these problems, bearing in mind the recent 'Jumbo' Council held in Luxembourg?

**Mr Pisani.** — (FR) Obviously to the extent that the 1982 budget contains appropriations for actions of this kind, the industrial development of the Community would be favourably influenced. The lack of measures of social adaptation is a factor which holds up industrial change. The Commission will therefore take action. It is counting on support from Parliament and on a favourable response from the Council. Any other attitude would be contradictory to the interests of the citizens and undertakings of the Community.

**Mr Herman.** — (FR) Although, as you have said, Parliament did not make this topic a major aspect of its confrontation with the Council, I distinctly remember that in the case of the 25 or 30 million EUA intended for the social plan for the steel industry, Mr Tugendhat promised us at the time that outstanding appropriations from the social affairs budgets would be transferred to the ECSC account enabling the Commission to use the 25 or 30 million EUA for social action in the steel industry.

My question is this: can this transfer actually be made if appropriations remain unused and, if so, does the Commission intend to keep its promise to Parliament.

**Mr Pisani.** — (FR) A unanimous decision by the Council is required for such a transfer to be effected.

I can simply point out that if there is an outstanding balance on a suitable date, the Commission will take the initiative of proposing such a transfer to the Council which will decide.

**Mr Boyes.** — Let me say first, Mr Pisani, that when I applauded your presence this afternoon it was partially for yourself, but partially because of the reason that you are here: the great victory of socialism in France.

(*Interruption*)

I think the people of France asked the question and found the correct answer. This question, Mr Pisani, asked about the social aspects, and many of us are aware that restructuring in this Community means unemployment for the workers, and the social aspects mean increased crime rates, increased marital problems, increased suicide rates and a distinguished surgeon told me — only two days ago — that they also mean lack of treatment for working people who dare not go to hospital for treatment in areas of high unemployment because the consequence may be that they lose their jobs. Is the Commission aware of these facts, and will the fact that these devastating problems are arising in areas of high unemployment give them an even greater degree of urgency to deal with these problems?

**Mr Pisani.** — (FR) We are acquainted with the problems which the Honourable Member has raised and are taking an extremely close interest in them. I have approached them in one way but I shall now look at them from a different angle.

I have already said on behalf of the Commission that the existence of the fund to cover the social consequences of restructuring would facilitate the restructuring itself; that explains the economic interest in the existence of a social intervention fund. However, the Commission is naturally aware that the situation is evolving and unemployment increasing further; today there are sometimes several unemployed persons in the same family and in some regions the threshold of unemployment is so high that the whole economy is tending to slow down or come to a standstill. This poses a problem to which the Community, the Council of Ministers and the Commission cannot remain insensitive. Contrary to our fears, the Jumbo Council meeting — to use the Community's rather curious terminology — last week outlined positive solutions and I think that it will be possible to make proposals leading to concrete action.

**Mr Van Minnen.** — (NL) I too am pleased to see the new Commissioner in the House in his different ca-

capacity and I am also pleased that his answer was couched in less general terms than I had feared. Ultimately we are concerned with specific restructuring measures; as you know it is perfectly simple to make personnel redundant and that is a specific social aspect which tends to be neglected.

I should like the Commissioner to say what he has in mind for 1982. Does he favour an extension of the social fund as I seem to gather from his remarks? Will the union movement, as well as Parliament, be able to take the initiative? As regards the latest instance of industrial restructuring involving the Ford company in Amsterdam with which you are familiar, the union movement is at a loss because it does not know whether it can contact the European Commission about the social aspect and to seek support. Can the union movement contact you in such a specific instance, Commissioner?

**Mr Pisani.** — (FR) We need to find a suitable answer to that question because there is a close link between our ability to evolve and our ability to pay the social price of such evolution. Who could be better placed than a trade union to count the cost and indicate the suffering and disorder created by this evolution? Obviously the Commissioner responsible is perfectly willing to receive information from the trade unions needed to enable him to adjust his own proposals. The unions have already been consulted in a number of cases. If they take the initiative of making proposals they will certainly be given a hearing.

**Ms Clwyd.** — I too am very pleased to see Commissioner Pisani sitting there across the floor. Can I just make the quick point to him that social policy in the recognized sense is a misnomer as far as this European Community is concerned. There is no such thing

as a social policy as far as restructuring our older industries, such as steel, is concerned. This is a point which has been made very forcefully by Members of this Parliament over the past 18 months. I hope that he will use his influence now in the Commission to urge the Commission and the Council to implement the social policy that this Parliament wants to see implemented as far as restructuring the first industry mentioned, the steel industry, is concerned.

The question I want to ask him is this: there was I believe general agreement in Luxembourg at the 'Jumbo' Council on employment last week. But there was one government in particular, about which Mr Richard expressed disappointment which did not agree with the consensus view of the other governments that something must be done and policies reversed to tackle the growing problem of unemployment in the Community. Would he please name that government and make some comments upon its stance?

**Mr Pisani.** — (FR) In a debate like this some answers can be given but others must be withheld. I should just like to say to the House that its insistence on consideration of the social implications and on the need for the Council to take a unanimous decision and for the Commission to take the necessary initiatives has not gone unheard. I am able to assure you that the Commission will take account of this in preparing its proposals for the 1982 budget.

**President.** — The first part of Question Time is closed.<sup>1,2</sup>

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

<sup>1</sup> See Annex of 17. 6. 1981

<sup>2</sup> See minutes agenda for next sitting.

## ANNEX

*Action taken by the Commission on opinions on its proposals delivered by the European Parliament at its May 1981 part-session*

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

2. At its May part-session the European Parliament delivered 27 opinions on Commission proposals in response to Council requests for consultation.

3. At the part-session 19 matters were discussed in connection with which Parliament delivered favourable opinions on or did not request formal amendment of the proposals referred to below:

report by Mr Papaefstratiou on the programmes for the coordination of agricultural research following the accession of Greece (COM(81)105 final);

report by Mr von Wogau on the harmonization of the procedures for putting goods into free circulation following the accession of Greece (COM(80)817 final);

report by Mr Dankert on the list of requests for the carrying-forward of 1980 appropriations to 1981 (COM(81)163 final);

report by Mr Herman on the Commission recommendations to the Council on telecommunications (COM(80)422 final),

report by Mr Schinzel on three proposals on duty-free allowances (COM(80)822 final, COM(80)852 final);

report by Mr Moreland on two proposals on the transport of goods by road between Member States (COM(80)823 final);

report by Sir Frederick Warner on 1981 food aid (COM(81)41 final);

report by Mr Leonardi on the provision of information in the field of technical standards and regulations (OJ No C 253, 1 October 1980);

proposal for a regulation laying down, for 1981, certain measures for the conservation and management of fishery resources to apply to vessels flying the Spanish flag;

proposal for a regulation adapting, following the accession of Greece, Regulation (EEC) No 1108/70 introducing an accounting system for expenditure on infrastructure in respect of transport by rail, road and inland waterway;

proposal for a decision adapting, following the accession of Greece, Decision 80/344/EEC adopting a second research programme in the field of medical and public health research, consisting of four multiannual concerted projects;

proposal for a directive adapting Directive 79/869/EEC concerning the methods of measurement and frequencies of sampling and analysis of surface water intended for the abstraction of drinking water in the Member States;

proposal for a decision adapting, following the accession of Greece to the European Communities, Decision 77/795/EEC establishing a common procedure for the exchange of information on the quality of surface fresh water in the Community;

proposal for a directive adapting Directive 80/779/EEC on air quality limit values and guide values for sulphur dioxide and suspended particulates;

proposal for a directive adapting Directive 80/778/EEC relating to the quality of water intended for human consumption;

proposal for a directive adapting Directive 79/409/EEC on the conservation of wild birds;

proposals for:

- (i) a regulation opening, allocating and providing for the administration of a Community tariff quota for 38 000 head of heifers and cows of certain mountain breeds, not intended for slaughter, falling within sub-heading No ex 01.02 A II(b) of the Common Customs Tariff,
- (ii) a regulation opening, allocating and providing for the administration of a Community tariff quota for 5 000 head of bulls, cows and heifers of certain Alpine breeds, not intended for slaughter, falling within sub-heading No ex 11.02 A II(b) of the Common Customs Tariff;



proposal for a directive amending Directives 66/402/EEC and 66/403/EEC on the marketing of cereal seed and seed potatoes;

proposal for a decision amending Decision 76/557/EEC regarding the inclusion of certain disaster-stricken communes in Italy among the mountain areas within the meaning of Directive 75/268/EEC on mountain and hill farming and farming in certain less-favoured areas.

4. In eight cases the European Parliament asked the Commission to alter its proposals under the second paragraph of Article 149 of the Treaty and adopted proposals for amendments.

During discussion of the:

*report by Mr Dido on the proposal amending Regulation (EEC) No 2895/77 concerning operations qualifying for a higher rate of intervention by the European Social Fund (COM(80)742 final),*

*report by Mr Carossino on the directive on the weights and certain other characteristics (not including dimensions) of road vehicles used for the carriage of goods (OJ No C 16, 18 January 1979),*

*report by Mr Fuchs on the proposal for a decision amending Decision 80/318/Euratom of 13 March 1980 adopting a research and training programme (1979 to 1983) for the European Atomic Energy Community in the field of controlled thermonuclear fusion (OJ No C 220, 28 August 1980),*

*report by Mr Ghergo on the proposal for a regulation amending Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons and their families moving within the Community and Regulation (EEC) No 574/72 fixing the procedure for implementing Regulation (EEC) No 1408/71 (COM(80)580 final),*

*report by Mr Papaefstratiou on the proposal for a regulation setting, for the 1981/82 marketing year, the guide price for unginned cotton and the quantity of cotton for which aid is to be granted in whole (COM(81)90 final),*

the Commission explained why it wanted to maintain its proposals.

With regard to the

*report by Mr Leonardi on the proposal for a regulation concerning Community projects in the field of micro-electronic technology (COM(80)421 final)*

and the

*report by Mr Adam on electricity tariff structures in the Community (OJ No C 214, 28 August 1980),*

the Commission has prepared amended proposals which will be formally approved in the course of the week and sent to the Council and the European Parliament.

In the case of the

*report by Mr Beazley on the decision adopting a third action plan (1981-1983) in the field of scientific and technical information and documentation (COM(80)552),*

the Commission is in the process of preparing an amended proposal in line with the amendment proposed by the European Parliament.

— the communication from the Commission of the European Communities to the Council concerning the opening of the Communities' historical archives to the public (Doc. 1-237/81)

which had been referred to the Committee on Youth, Culture, Education, Information and Sport;

— the amendment of the proposal from the Commission of the European Communities to the Council for a regulation on monetary compensatory amounts (Doc. 1-817/79) — (Doc. 1-242/81)

which had been referred to the Committee on Agriculture;

— the proposal from the Commission of the European Communities to the Council for a regulation laying down for 1981 certain measures for the conservation and management of fishery resources applicable to vessels registered in the Faroe Islands (Doc. 1-247/81)

which had been referred to the Committee on Agriculture,

— the proposal from the Commission of the European Communities to the Council for a decision adopting a programme of research and development in the field of science and technology for development (1982-1985) (Doc. 1-271/81)

which had been referred to the Committee on Development and Cooperation, as the committee responsible, and to the Committee on Energy and Research, the Committee on the Environment, Public Health and Consumer Protection and the Committee on Budgets for opinions;

— the proposal from the Commission of the European Communities to the Council for a directive amending Directive 72/464/EEC on taxes other than turnover taxes affecting the consumption of manufactured tobacco (9th directive) (Doc. 1-280/81)

which had been referred to the Committee on Economic and Monetary Affairs;

resolution on violence in Northern Ireland,

resolution on assistance for farmers affected by very bad weather,

resolution on economic aid for Mount Athos (monastery area),

report by Mr Seligman on the Geneva appeal and suspension of work on breeder reactors,

report by Sir Peter Vanneck on a moratorium in the field of nuclear energy.

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

Decisions to grant *emergency aid* had been taken, as follows:

500 000 ECU for flood victims in Somalia,

500 000 ECU for flood victims in Dominica,

15 000 000 ECU for Afghan refugees in Pakistan,

5 000 000 ECU for communities affected by the events in Cambodia.

## SITTING OF TUESDAY, 16 JUNE 1981

## Contents

1. <i>Common agricultural policy — Report by Sir Henry Plumb (Committee on Agriculture) (Doc. 1-250/81):</i> <i>Sir Henry Plumb, rapporteur.</i> . . . . .	29	<i>Procedural motion: Mr Adam</i> <i>Mr Andriessen (Commission); Mr Pannella;</i> <i>Mr Andriessen; Mr Aigner; Mr Enright</i>	
<i>Mr Faure; Mr Jonker; Mr Combe; Mr Vitale;</i> <i>Mrs Scrivener, draftsmen of opinions</i> . . . . .	32	3. <i>Common agricultural policy (continuation):</i> <i>Mr Sutra</i> . . . . .	63
<i>Mr Andriessen (Commission); Mrs Castle (S);</i> <i>Mr Tolman (EPP); Mr Curry (ED); Mrs</i> <i>Barbarella (COM); Mr Louwes (L); Mr Vié</i> <i>(EPD); Mr Vandemeulebroucke (TC); Mr</i> <i>Paisley (non-attached); Mr Woltjer; Mr Früh;</i> <i>Mr Provan; Mrs Le Roux; Mr Delatte; Mr</i> <i>Lalor; Mr Skovmand; Mr Pesmazoglou; Mrs</i> <i>Gredal; Mr Barbagli; Mr Kirk; Mr Kappos;</i> <i>Mr Brøndlund Nielsen; Mr Zighdis; Mr De</i> <i>Keersmaeker</i> . . . . .	37	4. <i>Membership of Parliament:</i> <i>Mr Israel</i> . . . . .	65
2. <i>Request for the immunity of a Member to be waived:</i> <i>Mrs Castellina</i> . . . . .	62	5. <i>Common agricultural policy (continuation):</i> <i>Mr Hord; Mr Jürgens; Mr Nyborg; Mr</i> <i>Papafstratiou; Mr Maffre-Baugé; Mr Gautier;</i> <i>Mr d'Ormesson; Mr Battersby; Mrs Martin;</i> <i>Mr Markozanis; Mr Peponis; Mr Clinton; Mr</i> <i>Denis; Sir Frederick Catherwood; Mr Gatto;</i> <i>Mr Bocklet; Mr Dalsass; Mr Helms; Mr</i> <i>Andriessen (Commission); Sir Henry Plumb;</i> <i>Mr Forth; Mrs Castle; Mr Boyes; Sir Henry</i> <i>Plumb; Mr Israel; Mr Enright; Mr Curry; Sir</i> <i>Henry Plumb; Mr Klepsch; Mr Boyes; Mr</i> <i>Klepsch; Mr Pflimlin; Mr Glinne.</i> . . . . .	65

IN THE CHAIR: MR DANKERT

*Vice-President*

*(The sitting was opened at 9 a.m.<sup>1</sup>)*

**President.** — The sitting is open.

1. *Common agricultural policy*

**President.** — The next item is the report by Sir Henry Plumb, on behalf of the Committee on Agriculture, on possible improvements to the common agricultural policy (Doc. 1-250/81).

I call the rapporteur.

**Sir Henry Plumb, rapporteur.** — Mr President, I present a motion for a resolution on possible improvements to the common agricultural policy which was adopted by the Committee on Agriculture on 21 May.

<sup>1</sup> See the minutes of this sitting for the following items: *Approval of the minutes — Documents received — Topical and urgent debate — Petitions.*

### Plumb

Honourable Members will note that when considering this resolution, the Committee on Agriculture took into account the opinions expressed on behalf of each of the political groups together with the views of the six committees most concerned with improving the machinery of the common agricultural policy. We also paid attention to the Commission's communication, 'Reflections on the common agricultural policy', which, of course, served as a background to our deliberations. I am very pleased that Mr Poul Dalsager was with us on two occasions during our discussions and I know that this House shares my regret that he is unable to be with us today. May we in this House, Mr President, send him our good wishes for a complete and a speedy recovery?

*(Applause)*

We are very grateful to Mr Andriessen for his presence in this Chamber and look forward to hearing his comments on behalf of the Commission later on in the debate.

When considering possible improvements or necessary adjustments to the common agricultural policy, it would of course be easy, if we reflect on the current situation, to become a little too complacent and to suggest that the market for certain products is now more stable than it has been since 1972 and that therefore no changes are necessary.

If we look at those stocks, butter stocks held in public intervention have fallen, for instance, from around 280 000 tonnes a year ago to 38 000 tonnes now or something like 8 days' supply, which represents a reduction over the year of 86%.

Similarly, public stocks of skimmed milk powder are down by 12½% and at the same time, of course, savings have been made by cutting the levels of export refunds for dairy products by about one-third.

In addition, we have seen over the years the degree to which the common agricultural policy can switch from producer to consumer protection as world markets fluctuate.

Now these are welcome trends helping to reduce the expenditure on the CAP from 80% of the Community budget some three years ago to around 69% and it is proposed, as we know, in the preliminary draft budget for 1982 that it will be reduced still further to 63% as well as allowing scope this year in the Commission's rectifying budget for 520 million ECU to be transferred to non-agricultural spending.

Nevertheless we must all be conscious of the volatility of the world market, as seen this year particularly in the case of cereals and sugar, and the significant increase in expenditure in several sectors, notably that of vegetable oils.

My intention therefore, Mr President, in presenting this report is to endeavour to make Europe's policy for agriculture and food more consistent and cost-effective, paying particular attention to the interests of those economic sectors which are closely related with agricultural production, namely the supplying industries, the food processors and the manufacturers, the consumer and the taxpayer, third-country suppliers — not forgetting, of course, our responsibility to the developing world whose indigenous agricultural capability we must aim to assist.

I sense a vigorous criticism from various quarters of the common agricultural policy, perhaps particularly from farmers themselves, many of whom have doubts about the ability of the Community and of the common agricultural policy to deal adequately with their problems.

The growing disparities since 1973 between industrial wages and agricultural incomes on the one hand and between prices paid to the producer and those paid by the consumer on the other reflect the severe cost-price squeeze and have been accentuated by an unbalanced application of the various component parts of the CAP. The price and market policy and the socio-structural policy are accused of having further exacerbated the regional and social income disparities. The lack of common economic and monetary policies has had an impact on the development of both production and consumption in certain Member States, and the conditions of competition are severely distorted by the lack of Community initiatives in the social, regional and fiscal spheres to coordinate with the farm policy.

It is, I submit, for lack of sufficient political conviction that little progress has been made to establish or to develop common policies in spheres other than agriculture — it is not just the fault of the CAP itself. As a result, the continuing economic, monetary, regional and social disparities between Member States have made it difficult to operate the CAP as originally intended. This increases the risk of a return to national pricing and of witnessing an even greater extension of nationally granted income aids.

We nevertheless face the future in a climate of low economic growth compared with the 1960s, and, of course, this will have severe consequences on the way the CAP operates. The outflow of labour, for instance, from the land and its replacement by capital has led to notable advances in labour productivity. And whilst this is to the credit of farmers and their ability to apply new technology, the agricultural aid structure is still unfavourably balanced and further pressure on incomes could result in yet more severe reductions in the agricultural labour force in the next few years.

I stress in my report, Mr President, that the problems faced by young farmers entering agriculture are serious and that there is a grave need for assistance to encourage vocational training. It is also relevant to

## Plumb

recall that the cost to the taxpayer of supporting an unemployed person is four times greater than the much decried cost to the Community of supporting the farmer through the CAP. Let us not forget that the total agricultural spending represents but 0.5% of the combined Community gross domestic product.

In considering the necessary adjustment the central principles of the CAP must remain intact, that is, of course, common prices, Community preference and financial solidarity. They must remain the foundation of the policy, and any change would lead to the breakdown of the CAP into a series of uncoordinated national measures. Whilst the price policy is the main instrument for safeguarding incomes, we have witnessed how open-ended price guarantees have led to the creation of almost unsaleable surpluses in certain sectors, notably dairy. Yet, of course, it is not surprising that the price guarantee alone has failed to fulfil simultaneously all the roles that are demanded of it. They are, namely, to promote economic vitality in the regions, to provide a reasonable income to the producer and to guide the pattern and the level of production.

It is for these reasons that I favour the introduction of a global Community quantum for each sector related to the targets established for production, but chiefly for those sectors where the market organization is based primarily on intervention prices. Beyond this global quantum coresponsibility levies would apply, which I consider far more appropriate than the existing linear levies which are merely a tax on the efficient producer and a cost to the consumer. I accept that the negotiation of those quanta would not be a simple task, but I submit that the principle of limiting the volume of production, for which the full guarantee is available, to match the projected demand is essential if we are to re-establish the market equilibrium that we are seeking and restore the confidence of producers, consumers and taxpayers throughout the whole Community. This quantum level must take into account both the requirements of the Community and the world market situation in terms of both quantity and quality, as well as dealing with our international commitments. That is why my committee also favours and emphasizes the introduction of stricter quality criteria.

European agriculture is certainly facing a difficult situation resulting perhaps from four principal causes. Firstly, the growth of productivity where farmers themselves throughout the Community have become victims of their own success; secondly, stagnation of internal consumption; thirdly, the difficulty of finding new export outlets, and fourthly, the competition of substitute products. But I believe, in this difficult cost-price squeeze, that acceptance of a policy of stricter market discipline would enable the Commission to ensure that the objective method used in formulating the annual price proposals will apply in such a way as to take realistic account of changes in producer

incomes and the market situation and also allow the introduction of more rational price relationships between products.

In addition to implementing measures to restore market equilibrium, we also believe it necessary to concentrate our efforts on encouraging the existing market organization instruments. Forestry, for instance, can make an important contribution to the less-favoured regions by its long-term nature. It is obviously a difficult crop to grow and therefore incentives are needed. We also need a more coordinated effort to improve the structure of our processing and marketing outlets if alternative products are not to create new surpluses to replace the old. We are therefore conscious of the cost of supporting agriculture through purely national policies over which the Community has little control. In this regard I cannot overstate the degree to which uncoordinated national aid weakens the policy and undermines its objectives.

*(Applause)*

I am therefore urging the Commission and the Council to strengthen the administrative and technical measures for monitoring national aids with a view to harmonizing them and reducing their scale and the distortions they cause in competition.

We are also, Mr President, recommending a number of measures — listed in paragraph 31 of my report — to strengthen and improve commercial policy for agricultural and food products, which of course would require permanent consultation with the major suppliers of food to world markets accompanied by more effective control to counter fraud and financial irregularities in the export trade.

We also attach great importance to making a more active contribution to the fight against hunger, as we indicated in the debate that took place about a year ago in this chamber. We firmly advocate making food aid policy a policy in its own right with its own medium and long-term objectives and not solely a means of reducing surpluses. Food aid export refunds should therefore be entered under Title 9 of the Community budget and not seen as a charge against the CAP.

We also believe that, since we are committed to supporting the principle of Community preference, there should be a joint strategy in the animal and vegetable fat sector, taking account of the problems arising from imports of substitute products in various sectors, and that the suppliers of products which substitute for cereals should accept a voluntary agreement on quantities delivered and on the development of the particular trade. My report also emphasizes the importance of three aspects of energy and agriculture. They are the production methods which save energy, secondly the saving of energy by the use of new techniques and, thirdly, the production of crops from

## Plumb

which energy can be produced. I cannot emphasize this aspect of it enough. We urge that all these matters should be considered as of high priority in research and development efforts, since the use of energy is one of the major factors increasing input costs in agriculture. The section on structural and regional policies in my report emphasizes the growing imbalances in the development of rural areas through the Community and recognizes the changes in economic conditions since the Stresa Conference took place.

In trying to correct this imbalance, we believe in the creation of a rural fund, partly to create or encourage parallel industries in the poorer regions, in addition to providing non-agricultural jobs by more effective use of the Regional and Social Funds. We believe that particular attention must be paid to further processing of agricultural products and to forestry, and greater encouragement given to tourism and crafts and labour-intensive undertakings. This in turn would reduce or help to reduce the pressure to increase agricultural production and help to satisfy more fully income expectations in those areas. I submit that every effort has to be made to prevent further rural depopulation at this time, when already we have eight and a half million people, Community citizens, unemployed.

Whilst budgetary objectives cannot be given priority over the objectives of the common agricultural policy which are enshrined in Article 39 of the Rome Treaty, I submit that if the Community is to stick within its financial limits and its source of revenue, time is not on our side in proposing the necessary adjustments and improvement of the common agricultural policy. Mr President, my motion for a resolution will not solve all today's problems overnight, but I present it to this House in a positive endeavour to bring about a better use of resources for Europe's agricultural and food policy and to provide a means of achieving the doubtfully compatible roles which have been left unresolved since the policy's inception.

**President.** — I call the Committee on Regional Policy and Regional Planning.

**Mr Faure, draftsman of the opinion.** — (FR) Mr President, the Committee on Regional Policy and Regional Planning naturally enough examined these proposals in the light of its own terms of reference. It is not immediately concerned with the strictly economic aspects of agriculture, which fall within the province of the Committee on Agriculture. Being responsible for regional policy and regional planning, our committee is more concerned with sustaining life in the regions, and we attach paramount importance to preserving the essentials of a social structure in all the regions that are free of urban concentrations. This determination is not motivated solely by a certain sense of morality or by social considerations, about

which much more could, of course, be said, but now is not the time.

There is, however, a point which I feel is worth underlining and one which is not often appreciated. Preserving rural life is important, quite apart from the social considerations I just mentioned, because it does undoubtedly offer us the best means of combating inflation and correcting regional imbalances. The population drift from rural areas to the towns is one of the factors behind the inflation from which all our countries are suffering, to a greater or lesser extent. Urban concentrations may be convenient for businesses, for major industries and for large administrative bodies because they can obviously offer them what is called an economy of scale. On the other hand they result in enormous infrastructure costs which have to be borne by the local authorities and which essentially constitute a 'diseconomy' of scale in the technical sense. Conversely, in the rural areas which are becoming gradually depopulated there is still, after all, an obligation to maintain or replace a minimum of plant and equipment essential to a modern civilized society. Because here this plant and equipment is serving a decreasing number of people we again come up against the problem of 'diseconomy' of scale. In the light of what I have just said we have to realize that by sustaining rural life, by developing rural areas, we may be able on the one hand to preserve agriculture and on the other to promote non-agricultural industries.

As far as agriculture is concerned, our main interest is not so much in the volume or level of production as in how to support the greatest number of agricultural workers, particularly small and medium-sized farmers who in the main are engaged in dairy or livestock production or, in other regions, in market gardening, citrus growing or wine-growing. This is an important principle that the Committee on Regional Policy and Regional Planning has adopted, and, in fact, these points will be taken up more fully in an own-initiative report that I have been instructed by the committee to draw up and which will be presented to the House at a later date.

Having said that, I have nothing but praise for the excellent work Sir Henry Plumb has done. The report of the Committee on Agriculture embodies everything that concerns us most. I have, in fact, tabled one or two amendments by way of amplification, but first I must praise the report. In point of fact the report accepts the necessity of maintaining farms which are perhaps among those that have benefited least under the common agricultural policy and also very properly raises in general terms the problems of the rural environment, the problem of agriculture and the problem of creating non-agricultural jobs.

I have nevertheless a few observations that I should like to make to Sir Henry Plumb on the report itself. In paragraph 6 he talks of 'surpluses in certain sectors and, in particular, of dairy products'. In the first place

**Faure**

I am unhappy with the wording of this paragraph, but I see that an amendment has been tabled by another Member with a view to changing it. I refer to the term 'almost unsaleable surpluses'. In fact, in paragraph 36 of the report, the rapporteur quite rightly talks of the possibility of using these surpluses as food aid to countries in need and he refers specifically to 'new milk-based products which may be used immediately'. All this makes good sense. Under such circumstances these surpluses might still be unsaleable, but they are not necessarily unusable, since they can be set aside for supplies of a non-commercial nature, and specific provision for this is made in the report. Besides, it strikes me as a little too cold-blooded and simplistic to regard dairy products as surplus by definition and as such unsaleable. One could have variations in the levels of production as has happened in past times; sometimes we have a surplus, at other times a shortfall. Take sugar, for example; for a long time we were being told that there was a tremendous glut in the world sugar market. Then just a few years ago rumours started to circulate and housewives everywhere ran to stock up on sugar because they were afraid to find themselves without. If dairy and livestock production were to be discouraged too strongly we could be faced with shortages.

There is something else we have to bear in mind. Another reason why we have surpluses is not so much because people do not want to buy these products as because they cannot afford to buy them. That is a problem that belongs to general economics. If, as is to be hoped, all the Member States succeed in raising the standard of living across the board, and in particular the standard of living of the poorest and least well-off members of our societies, we shall at the same time boost demand for dairy products. During the two and a half years that I was Minister for Agriculture in France I commissioned an in-depth study of the response to supply and demand in the dairy products sector. At that time I found that whereas only very few people were going without milk as such, quite a number — the figures for today may show an improvement, but the trend is the same — were doing without butter and still more without cheese. That is to say, they would buy it if they could afford it. One way in which they could be helped would be to bring prices down, but this would have unacceptable consequences for farmers' incomes. Another way would be for people to have a higher standard of living — I am thinking here of the idea of paying a small salary or wage to the old and the sick. What I am trying to say, therefore, is that we should steer clear of any too dogmatic approach to the problem of dairy surpluses...

**President.** — Mr Faure, you have been given five minutes, but you have already taken up nine. If you go on, I shall have to deduct these 'surplus' minutes from your group's speaking time.

**Mr Faure.** — (*FR*) I hope my group might indulge me on this occasion, bearing in mind that I do not impose on the House all that often. This is only the second time that I have spoken here, and on the first occasion I stayed within the twenty minutes. Please forgive my oversight; if I am at fault I will plead extenuating circumstances. I shall endeavour to proceed more quickly, which will no doubt help me to be more penetrating.

(*Laughter*)

On the question of prices, may I say that the formula for low prices adopted in Sir Henry Plumb's report does not strike me as being very satisfactory at all, because it states that producers must not obtain 'prices well below those that have been fixed'. It must be made quite clear that what we are asking is that producers should get prices that are not merely not very much lower but prices that are at least equal to the fixed prices, which can be regarded as the minimum they need to give them a reasonable return.

I will now very quickly — so as not to impose too grossly on your time — run through the amendments I have tabled on behalf of the Committee on Regional Policy; I point this out because it is not mentioned in the heading of the amendments.

The first, Amendment No 54, is simply by way of additional general clarification, pointing out that the common agricultural policy, the advantages of which are not in dispute, has nevertheless hitherto favoured certain sectors, and that the sectors that have benefited least happen also to be those involving the greatest number of people and those engaged in livestock farming, dairy production and growing Mediterranean crops.

The second amendment, Amendment No 56, is crucial because it underlines the need to implement the producer price maintenance systems. It was incidentally with this in mind — and I can say this with some authority, as I was Minister for Agriculture at the time when we set up the common market — that the target prices, far from being simply dreamed up, were on the contrary considered as prices which real prices would follow asymptotically.

Our third amendment is an expression of our desire to see compensatory allowances in respect of natural handicaps, particularly in mountain regions and less-favoured areas, fixed annually and in a more regular manner. I believe everyone can agree on this point.

In our fourth amendment, No 55, we are calling for special incentives for quality products, which place constraints on agricultural workers but nevertheless satisfy a specific demand among consumers at a time when quality is all too rarely appreciated and when the natural character of products is in danger of disappearing altogether. We are accordingly recommending

**Faure**

the adoption of special labelling for these quality products made by often traditional and very laborious methods to indicate their place of origin and method of manufacture.

Finally, Amendment No 58 is put forward as what we believe to be a more comprehensive version of paragraphs 47 and 48 of Sir Henry Plumb's report. The object here is to outline a regional rural policy that embraces not only agriculture but also non-agricultural aspects, with particular reference to incentives for small and medium-sized undertakings and the crafts, to enable us in each case to draw up a multi-sectoral regional development policy with a specific programme for each region. It will come as no great surprise to the House that the Committee on Regional Policy and Regional Planning attaches enormous importance to this last point.

**President.** — I hope that the other speakers listed to speak will keep to the agreed speaking time of five minutes.

I call the Committee on External Economic Relations.

**Mr Jonker, draftsman of an opinion.** — (NL) Mr President, I should like to begin by congratulating Sir Henry Plumb and the Committee on Agriculture on the document they have put forward. It is a good report and, I feel, it has come at the right time. I must add, however, that they have put the committees asked for their opinions in an impossible position, but that is perhaps not the fault of the Committee on Agriculture. We have not been able to discuss the final version of the Plumb resolution. We have tabled a number of amendments, but we of the Committee on External Economic Relations did not consider the quantum idea, for example, because it was not mentioned in the original documents drawn up by the Committee on Agriculture and Sir Henry Plumb. I can do no more than state my personal opinion on this. In my view, the whole quantum arrangement is too inflexible. We must not assume that the whole of the agricultural policy in the Community can be governed from Brussels with just one regulation. We must be far more flexible. We must consider each product and each region separately. The solutions to the problem of sugar and milk surpluses must, by definition, be different from the solutions to the problem of wine and olive oil surpluses. I do not envisage a renationalization of the agricultural policy. Solutions must be found for each product and each region on the basis of proposals from the Commission and under regulations adopted by the Council.

Our committee has tabled a number of amendments. The first, No 66, concerns the transparency of the market. Above all, we would like to see the Community's import policy far more cohesive. Up until a few months ago the Community was still

importing hard maize and exporting hard barley even though, at 103%, our barley production was in surplus. The Committee on External Economic Relations feels that this barley should be used as animal feedingstuffs before maize is imported. It is a question of economizing.

The most important amendments for the House are perhaps Nos 65 and 67, which concern the policy on levies. There is no question of the Committee on External Economic Relations wanting to put the common agricultural policy at risk. Nor is there any question of our wanting to put Community preference at risk. That is what we created the Community for, after all. But we do claim that the agricultural policy cannot be based solely on Article 43 *et seq.* of the EEC Treaty; it must also be based on Article 100, i.e. maintenance of the traditional patterns of trade. Amendment No 69 on citrus fruit should be seen in this context.

We are not opposed to all levies. We realize that levies form an important part of the agricultural policy. But we do feel that as long as the Community is not entirely self-sufficient, as long as it has to import basic materials or feedingstuffs because it does not produce enough itself, whether we are talking about oils and fats, tapioca, manioc, cereal derivatives and maize or gluten, it must try to avoid import restrictions as far as possible. It is not a question of a system. I repeat, if it is absolutely essential for economic reasons, for trade policy reasons, then it will have to be done. But I believe we need have no fear because, since the agricultural policy came into being in 1962, the Community has become progressively more self-sufficient. Community preference is maintained even though imports continue. We are convinced of that. We have also tabled our amendments with the developing countries in mind. They form a part of the world we must treat cautiously. We feel there should be some kind of link between the agricultural policy and the development policy. We must make sure that the poor do not suffer because of our agricultural policy. It is the consumer who pays. We can also refer to our relations with the United States and trade policy questions with the Americans, including those on industrial issues. All these arguments play a part. The Committee on External Economic Relations thus feels that at this time of world-wide recession we must keep the Community's frontiers as open as possible. It therefore fully endorses what the European Council said on 1 and 2 December: world trade, including world trade in agricultural products, must be open and fair.

**President.** — I call the Committee on the Environment, Public Health and Consumer Protection.

**Mr Combe, draftsman of an opinion.** — (FR) Mr President, the Committee on the Environment, Public



## Combe

Health and Consumer Protection has given very careful consideration to possible improvements that could be made in the common agricultural policy from the consumer's point of view.

Our committee considers that the common agricultural policy has played a decisive role in shaping the common market. Agriculture satisfies the consumer's constant need for food.

Whatever criticisms may be justly levelled at the common agricultural policy, the fact remains that it has been instrumental in guaranteeing us a constant supply of agricultural products, which is in itself remarkable enough in a world chronically short of food. That is not to say that some improvements and adjustments are not essential.

Given the general economic climate in the world and in the Community, characterized as it is by a low growth rate, an unstable monetary situation and higher inflation, the Community has pursued in 1981 a cautious policy on farm prices. The consumer's frequent complaint about the common agricultural policy is that it contributes to higher prices. It cannot be denied that there are disparities between prices on the internal market and those on the world market, but then prices on the world market are subject to wide fluctuations while prices in the Community are generally stable. It is worth remembering that in 1973-1974 grain prices on the world market were twice as high as in the Community. Sugar is another case in point. Besides, procuring supplies from outside, even if on better terms, would merely increase the dependence of the Community as a whole.

What we need to determine, in fact, is to what extent the objective laid down by Article 39 of the Treaty of Rome — to ensure that supplies reach consumers at reasonable prices — is being achieved. It should be noted that, thanks to the Community's anti-inflationary pricing policy over the last few years, producer prices and consumer prices for foodstuffs have on average risen more slowly than the general price index.

A further criticism of the common agricultural policy concerns production surpluses. We feel that the solution to this problem is to be found in new policies, that is to say, in more effectively tailoring production to requirements, a more vigorous export campaign, better marketing, adjusting the co-responsibility levy and the total abolition of compensatory amounts.

As regards the dairy sector in particular, it is, in our view, imperative that when butter stocks are really high, small and medium-sized undertakings should have access to these stocks as well as the large undertakings. At present they are not so high, but unfortunately they could possibly rise again.

A Community provision to this effect would have the advantage of reducing and even eliminating butter

surpluses, and with the high storage costs this would be to the benefit of consumers throughout the Community.

The problem of surpluses has to be considered from three different angles: production, quality and the price factor. Where production is concerned, too great an emphasis is placed on quantity and too little on quality. Price also has a lot to do with it ....

*(The President indicated to the speaker that he had used up his speaking time)*

I have nearly finished and, like Mr Faure, I do not speak in this House very often.

The recent problem over the rearing of calves using industrial methods based on hormones and anabolic steroids is a perfect example of the pursuit of high-volume production, regardless of quality, offered at a fairly low price. Such a policy not only penalizes the small producer with his milk-fed calves but also carries a health risk for the consumer.

The consumer might be prepared to pay a higher price if he was sure that the products he bought were wholesome, of good quality and carried no health risk. We must be wary of the growing trend towards industrial stock-farming, which constitutes a threat to smaller undertakings and more specifically to family smallholdings.

The Commission must take measures to enable small stock farmers to make a living. As regards the environment, we welcome the directives on maximum contents of pesticide residues, as indeed we welcome any directive designed to harmonize national legislations, one of the aims of which is to guarantee and reinforce consumer protection and to take account of environmental effects.

**President.** — Adding your two extra minutes to the nine taken up by Mr Faure, I find that I shall have to deduct eleven minutes from your group's speaking time.

I call the Committee on Development and Cooperation.

**Mr Vitale, draftsman of an opinion.** — *(IT)* Mr President, ladies and gentlemen, in examining the Plumb report from the viewpoint of the relationship between the Community and the developing countries, the Committee on Cooperation and Development focused its attention on several issues in particular.

Above all, there is the question of surpluses. We feel that the Plumb report does not sufficiently emphasize a fundamental distinction: that between surplus production, i.e. that which can be disposed of neither on the world market nor on the commercial level nor in

**Vitale**

food aid, and other production which is destined to meet the demand from the developing countries. The growth rate of this demand is outpacing the increase in the level of food self-sufficiency; the cereal situation is a case in point.

The system of prices should be fixed on the basis of this fundamental distinction, and it should be capable of encouraging — or discouraging — certain types of production according to a supply policy consistent with the principal objective of the Community's development policy towards the developing countries. This policy is designed to encourage the autonomous development of the agricultural economy of these countries and to raise the level of their food self-sufficiency.

The Committee on Development is therefore of the opinion that the task of the agricultural policy is to encourage an agricultural system in Europe which, without setting itself up in competition with the developing countries, is nevertheless capable of meeting the food needs of the Third World with an effective export policy.

This poses another problem. An export policy cannot be entrusted solely to pricing manoeuvres if the burden of export refunds is not to become heavier year after year. It is necessary therefore to develop an effective policy of cost reduction, rationalization of the processes of production and valorization of resources, i.e. a structural policy which would bring internal prices closer to prices on the world market.

How is it possible, for example, to combine a policy of export credits with the current export refund mechanisms? The two are mutually exclusive. In this regard the committee declared against the transfer, under Title 9, of expenditures for refunds. Such expenditures, in fact, originate in the very nature of the common agricultural policy — that is, in the support of internal prices — and therefore are certainly expenditures having to do with the common agricultural policy for the export of agricultural products.

We debated in committee whether and to what extent it is possible to speak of Community protectionism concerning the demand policy for products originating on the world market. There is no doubt that efforts have been made towards a greater openness of the internal market, especially with the Lomé Convention, but it is equally true that barriers still exist, especially for processed products. At this point we find ourselves facing a clear contradiction between the agricultural policy and the Community's development policies. We cannot declare ourselves in favour of an autonomous development of agriculture in the countries of the Third World and then accept from them only raw materials, closing the market to processed products.

I will conclude with two more very brief observations.

The first concerns the need for trade relations between the Community and the developing countries to be conducted on the basis of long-term agreements. Related to this, and of equal necessity, is the grounding of agricultural policy on long-term production and marketing programmes on the basis of forecasts of the increase in demand and in productive capacity attained in the developing countries.

The second observation concerns the part to be played by the Community in international agreements and the influence — at present rather negligible — that it should exert. I refer in particular to Community participation in the sugar agreement and to the much more active role it should assume in multilateral negotiations such as GATT, the International Agreement on Cereals and sectoral agreements in other areas.

These questions were discussed in the Committee on Development in the conviction that it is indispensable to overcome the disparity — and often the contradiction — between agricultural policy and development policies in order to provide a different approach to relations with the developing countries. Such divergences must be rapidly eliminated, for the present situation differs greatly from that in which the agricultural policy was conceived. Today there exists an increasing interdependence between the future course of the European crisis and the growth-related demands of the developing countries. It is with this conviction that the committee has discussed and presented its amendments. Since I have already described them, I will not discuss the amendments further; I merely express our hope that they will be included in the final resolution.

**President.** — I call the Committee on Budgets.

**Mrs Scrivener, draftsman of an opinion.** — (FR) Mr President, the Committee on Budgets has adopted by fifteen votes to seven an opinion which centres around three principal notions.

Firstly, the budget is no more than the financial expression of a given policy. It follows from that that problems as complex as those we face in agriculture are not going to be solved by purely budgetary measures. The Committee on Budgets did not feel therefore that there was anything to be gained by directly linking the question of the reform of the CAP with two other outstanding problems, namely, increasing own resources — as recommended by Parliament in April in the Spinelli report — and the restructuring of the budget in order to resolve the particular problems of one Member State.

In point of fact the reform of the agricultural policy, which everyone agrees is necessary, is an undertaking on its own, a separate procedure altogether, long and

**Scrivener**

involved. In this connection we need only to recall the words of the British Minister for Agriculture:

'When dealing with a sector like agriculture you cannot bring in changes in the space of a week, a month, or even a year because of the very nature of agricultural production. Changes have to be planned and organized over a much longer period, probably of the order of four to five years.'

And Mr Walker concluded by saying:

'The key to the agricultural problem is to be found in a soundly-based and logical long-term strategy'

Second point, the Committee on Budgets feels bound to point out that it has repeatedly condemned the failure to control the rise in agricultural costs which, as we know, have increased by an average 25% in the period from 1974 to 1979. Our committee has always felt that this uncontrolled rise was largely due to the mechanisms themselves, which allowed unlimited price support without any proper controls or restrictions. The Committee on Budgets, in its opinion on the Plumb report, reaffirms its view that these mechanisms must be revised. It does make the observation, however, that in the financial years 1980/81 and probably 1982 the rate of increase in agricultural costs seems to be stabilizing at around 12%. This is a welcome development, in as much as it will allow the gradual revision of agricultural mechanisms to proceed in a less turbulent atmosphere.

Thirdly, the Committee on Budgets has also indicated the measures to be adopted to allow for better control over budgetary expenditure in the future. In this connection it is suggesting three lines of action. Firstly, the Commission must find ways of cutting back administrative expenditure and also set about revising some of the financial machinery which at the present time seriously limits its freedom of action in the area of administration. We have in mind the system of global Community advance payments made to Member States and the interference by management committees in the day-to-day decisions of the Commission.

Secondly, the extension under carefully laid down conditions of the idea of financial participation by producers in the administrative accounts of the various agricultural markets. It is of course up to the Committee on Agriculture to make more detailed proposals.

Thirdly, the rationalization of the Community's external trade in food products.

Mr President, I have given the broad outlines of the proposals of the Committee on Budgets. We feel that they are consistent with the general drift of the report of the Committee on Agriculture. All the same, I have tabled an amendment approved by the committee with a view to deleting the existing paragraph 39 and

replacing it with a new one. The purpose behind this is twofold: in the first place to oppose any change in the budgetary timetable to bring it into line with the agricultural year (in point of fact this suggestion strikes us as being unrealistic for all sorts of technical reasons) and secondly to summarize in a single new paragraph the essential elements of the proposals put forward by the Committee on Budgets, which we feel have not been spelt out clearly enough in the report by the Committee on Agriculture.

**President.** — As Sir Henry Plumb noted this morning, Commissioner Dalsager is not with us today. It gives me great pleasure to associate myself with the good wishes for his speedy recovery expressed by Sir Henry just now in his introductory remarks. As we are all aware, Mr Dalsager's portfolio has in the meantime been taken over temporarily by the President of the Commission, but collegiality is the cardinal principle in the Commission. It gives me great pleasure therefore to call my compatriot, Commissioner Andriessen.

**Mr Andriessen, Member of the Commission.** — (NL) Mr President, on behalf of the Commission I should like to begin by congratulating Sir Henry Plumb on his revised report. The original report by the Committee on Agriculture was held over at the March part-session because Parliament wanted, rightly so in the Commission's view, to give priority to the debate on farm prices. Partly because that agricultural resolution was adopted in good time, it was possible to take very progressive decisions on the 1981/82 prices. And this also made it possible to devote rather more time to the consideration of the common agricultural policy. The outcome of this consideration, Mr President, is the subject of today's debate.

The Plumb report has been submitted at precisely the right moment, and I can assure you that the Commission has already derived benefit from it and taken it into careful consideration in its discussion on agriculture in recent weeks in connection with the preparation of our report pursuant to the mandate given to us on 30 May 1980. I cannot, of course, anticipate the conclusions we shall be drawing in this report. But I should like to tell you of my initial reactions to Sir Henry Plumb's report and say that today's debate may well influence the final wording of the report we have to draw up next week under the mandate we have been given. In fact, Mr President, Mr Dalsager had an opportunity to make known his own views on the Plumb report at the meeting of the Committee on Agriculture of 21 May. I am particularly sorry that his illness prevents him from being here today in person. I can, however, tell you that he is making a speedy recovery.

Mr President, the Commission can broadly endorse the Plumb report. Its general approach matches our own ideas on the common agricultural policy.

**Andriessen**

Although I do not, of course, agree with everything it says — and you would not expect me to go into all 52 paragraphs now — I can say that we agree with the general approach adopted.

Mr President, I have also looked at the 178 amendments which will be voted on this evening. I do not know whether this breaks a parliamentary record, but it must certainly come close to it. You will certainly not expect me to state my views on each and every one of them, but I shall be commenting on some that I consider particularly important. I shall undoubtedly have another opportunity to refer to various others.

The common agricultural policy remains a cornerstone of the European structure. The three basic principles, common prices, Community preference and financial solidarity, we feel, continue to apply in every way. This is not to say that the agricultural policy is not in urgent need of adjustment. Improvements are needed, even disregarding the present budgetary problems. Like other sectors of economic activity, agriculture must accept the restrictions of slower economic growth and limited government resources. But we cannot have the common agricultural policy turned upside down to solve problems that have their roots outside agriculture. We would be showing very poor judgment, for example, if we tried to destroy the most advanced Community policy in the context of our mandate. That would not help the future cohesion of the Community in any way. Nor must we opt for solutions that tend towards the renationalization of agricultural policy. I am therefore happy with Amendment No 85 tabled by Mr Gatto and others, and I cannot warn you strongly enough against adopting Amendment No 98 by Mr Pranchère and others, which would clear the way for the Member States to take national measures. In the document it published last December the Commission stated a number of hard facts:

- (1) In most agricultural products the Community is now more than 100% self-sufficient.
- (2) As a result of technical progress, production and yields are continuing to rise.
- (3) Internal demand continues to stagnate.

The Commission has therefore concluded that, at the present level of agricultural technology, it is neither economically acceptable nor financially feasible to go on guaranteeing prices for unlimited quantities with the aid of support amounts. That was our opinion in December, and it is still our opinion today. If we intend to develop a cohesive strategy in agriculture, we must first have some idea of the quantities produced in the Community for which we want to have full price guarantees.

This is not so much a matter of limiting production. What has to be decided is at what point farmers must

agree to share the burden of the marketing costs involved if they increase their production.

The Commission is therefore very happy to see the same thinking reflected so clearly by paragraph 13 of the resolution, which refers to the introduction of *quanta* linked to Community production objectives. If these *quanta* are exceeded, other measures should be taken. The procedures relating to such measures may, of course, vary from one product to another, and we shall have to consider these procedures more closely in the months to come.

What we must do now is accurately define our premises. I welcome the clear and positive approach by the Plumb report in this respect. I must add that there is one area in particular in which the Commission wants progress made, and that is in the improvement of agricultural products. We must undoubtedly place as much emphasis in our policy on quality as on quantity. I therefore welcome a number of amendments along these lines. I am referring to Amendment No 90 by the Liberal and Democratic Group and Mr Faure's Amendment No 55. I would also remind you of what Mr Combe had to say during this morning's debate. I cannot agree with Amendment No 99 by Mr Pranchère and others, which calls for national quality criteria.

Mr President, a brief comment on prices. The report naturally discusses the price policy. The price policy is, after all, an essential instrument for the achievement of the aims of the common agricultural policy. As paragraph 16 of the motion for a resolution says, price proposals should take realistic account of changes in producers' incomes and of the situation in the market. But it has become increasingly difficult to ensure that these two objectives, market balance and reasonable incomes, receive equal treatment through the price policy alone.

Allow me to say a few words about what is known as the objective method, which is referred to in paragraph 16. It is also mentioned in Amendments Nos 50 and 173. The objective method has never been the only method of reaching the final decision on price increases. In addition to this objective method, account must, of course, be taken of the general economic situation, the market situation and so on. And for this the Commission must rely on other information.

Mr President, the Commission maintains its view that we must continue to pursue a conservative price policy. There is no realistic alternative if we want prices to resume an economic function in ensuring balance between supply and demand. At the same time, we must continue our efforts to stabilize world market prices at a more rewarding level. We must achieve this in cooperation with our international partners. In the longer term, we can then progressively eliminate the difference between world market prices and Community prices. This will make our own prod-

**Andriessen**

ucts more competitive, and we can also reduce marketing costs. There is undoubtedly also a need to adjust the hierarchical structure of our prices, as paragraphs 17 and 18 suggest.

I fully share the view that there is a need for an improvement in the hierarchy between the prices of different products as a means of achieving better balance in the market. This is wholly in line with the general concept of a market-oriented policy. But I am having some difficulty with the idea put forward in paragraph 19 of introducing a whole series of different support amounts to achieve change. The chief disadvantage of product-linked support measures is, after all, that they are very costly and not always efficient.

Mr President, the Commission does not believe it would be a good thing for the Community if we replaced price guarantees with a general system of direct incomes subsidies.

It would be quite impossible to pay for a system of this kind. However, we do not exclude the possibility of direct incomes subsidies forming part of the policy in a limited number of cases and at Community level. In fact, such subsidies have already been paid in some instances. It is clear that if we want to develop the agricultural policy further, Amendment No 113 tabled by Mrs Castle and others would represent an obstacle. In the document it published last December the Commission has already explained why it is opposed to the idea of quotas for individual producers. We have also explained why the system of partial national financing of the agricultural policy would conflict with Community interests. A system of this nature would also create institutional difficulties.

As regards national support measures, the Commission is aware of the recent, clear tendency among the Member States to go further than can be considered admissible under the Treaty and Community legislation. On the other hand, we must not exaggerate the magnitude of this problem. Although the Member States spend two units of account on their national policies for every one we pay out, we must bear in mind that a very substantial proportion of their expenditure goes on social security, while other expenditure does conform with the provisions of the Treaty concerning support measures. But where the Treaty is clearly being infringed, we must act resolutely. If we fail to do so, the Member States will be vying with each other with their support measures, and that would be an attack at the very roots of the common agricultural policy. I therefore fully agree with paragraph 26 of the motion for a resolution. The Commission has already taken action in this area, and I can assure you that, as the Commissioner responsible for competition, I take this matter very seriously.

I do not agree with Amendment No 32 tabled by Mr Curry, but Amendments Nos 153, 154 and 155 by Mr

Tolman and the Christian Democratic Group do have my support.

Mr President, the Community must indeed pursue an active export policy where agricultural products are concerned, and I can therefore largely agree with what paragraph 31 says on this subject, even though I cannot endorse every detail. Your committee has a good record in this area. Our market administration enabled us to break all records in 1980, when our exports of agricultural products rose by 20 %, or three times more quickly than our imports. We will go on developing the instruments of our export policy, including the opportunities presented by long-term contracts. As regards imports of agricultural products, we must realize that a large proportion is governed by special import arrangements introduced for political reasons following lengthy negotiations. We have absolutely no reason to feel ashamed of these arrangements. It takes two to trade: if there are to be exports, there must also be imports. Furthermore, as paragraph 34 of the resolution emphasizes, we certainly cannot help the developing countries if we do not allow them to export to the Community. What we can do is try to ensure that, if the level of imports causes difficulties, account is also taken of the Community's interests. We shall, for example, continue our efforts to control the imports of products used as substitutes for cereals, such as manioc.

In connection with the further enlargement of the Community, we must also give careful consideration to the present arrangements for oils and fats. The Commission is somewhat surprised to find paragraph 33 proposing the application of supplementary levies to all products subject to co-responsibility in the Community. We cannot support this idea because we feel it is wrong to link internal and external policies in this way. The co-responsibility mechanism is designed to help us achieve our own production objectives. In addition, adequate protection is in most cases already provided at the external frontiers in the form of variable levies. The Commission therefore approves Amendments Nos 127 by Mrs Seibel-Emmerling and 156 by Mr Tolman.

Mr President, an important section of the Plumb report is devoted to the structural and regional policies, and the Commission is able to agree with a great deal of what it says on this subject. I should particularly like to emphasize our approval of paragraph 47(b) concerning the need for greater concentration on specific programmes and the poorest regions. I feel there should be far more joint action by the various European funds under integrated programmes.

Mr President, I have no more time to discuss the budgetary aspects of paragraphs 38 and 39 at any length. Let me just say this: it seems impractical to me for the financial year to be the same as the marketing year. In this respect, I agree with what Mrs Scrivener had to say. I can also agree to Amendment No 43

**Andriessen**

tabled by Mrs Scrivener and the Committee on Budgets, which calls for further economies in the administration of our agricultural markets. We shall be examining all the suggestions in this area with great care. To conclude, a few remarks on the institutional problems. I cannot completely share the criticism expressed in the last paragraph. The Commission really does make every effort to acknowledge the important position Parliament holds in agricultural matters. Allow me to give you one or two examples. You will undoubtedly recall that not only the Commissioner for agriculture but also the Commissioner responsible for the budget and the President of the Commission played an active part in the major debate on prices on 25 March of this year. I would also remind you that the Commissioner responsible for agriculture informed you at length on the price decisions taken by the Council of Ministers. I do not think it is going too far to say that there are very regular and close contacts between my colleague, Mr Dalsager, and the Committee on Agriculture of the European Parliament, which, as far as possible, is kept up to date on and involved in matters relating to the common agricultural policy. And I know that today's rapporteur is aware of the efforts we have made.

As regards the influence the Commission has, Mr President, I do not share the view that it has become any the less in the agricultural sphere. The complaints I hear tend to the opposite view, that we have too much influence and too great a say in the daily administration of the agricultural market. It is not a lack of influence or of persuasive powers in the Commission but the absence of political will in the Council that prevents the necessary decisions on adjustment to the common agricultural policy from being taken. I can only hope that the resolution on which Parliament will be voting this evening and the continued efforts on our part will be followed by the Council's recognition of its responsibility and a willingness on its part to adopt the course that will assure us of a sound agricultural policy for the 1980s.

IN THE CHAIR: MR JAQUET

*Vice-President*

**President.** — I call the Socialist Group.

**Mrs Castle.** — Mr President, I am very happy indeed to be moving Amendment No 113 this morning in my name and that of a number of my colleagues. This amendment has now been adopted by the Socialist Group.

As Members of the House will have seen, it offers a complete and comprehensive alternative to the Plumb

report, and it does so because we believe that the time has come to stop tinkering with the failings of the common agricultural policy and have some fundamental rethinking about what has gone wrong. I was intrigued to listen to Mr Andriessen's remarks on Amendment No 113. What interested me was that they were so perfunctory, and I believe the reason is that the Commission may have far more sympathy with Amendment No 113 than it dares to admit in this Parliament, because the Commission is the first to recognize that the CAP in its present form has totally failed in its social aims. Indeed, the Commission's document 'Reflections on the CAP' is a brilliant analysis of the failings of the CAP, particularly on the social front. No Member of this Parliament could have put the matter more vigorously than the Commission does, pointing out to us that common market organizations based on price guarantees work to the advantage of the largest producers, the well-to-do producers and the richest regions in the Community.

What a catalogue of failure, Mr President! And the reason is, as it points out, that the bulk of Community support goes to the producers of the northern products — cereals, milk, sugar — to the detriment and neglect of the Mediterranean area. When we add to that the fact that, in the Commission's own words, the growth in expenditure has become uncontrollable, it is clear that something must be done urgently. The Commission itself admits nervously that

Voices are being raised in protest against public money being used for the most part to support the incomes of the richest farmers.

Certainly British taxpayers amongst others are protesting; so are consumers who have to pay the artificially high prices which support the incomes of some of the most well-to-do groups in the Community. This must come to an end.

When it turns to remedies, however, the Commission hesitates to follow the logic of its own analysis, and as for the Plumb report it barely touches on this aspect. This is the major review of the CAP, so let us now dare to ask what once would have seemed the unaskable. What causes the inequalities and the waste of money through the production of surpluses which consumers in the Community cannot afford to buy and which have to be dumped on world markets with the help of export subsidies? Just bear one figure in mind about the waste of money that is going on. In 1980 5.4 billion ECUs, or in sterling 3.2 billion pounds, went on export subsidies, i. e. financing the consumption of food by people in other countries — the absolute maximizing of insanity.

Now does not the reason for this breakdown of common sense in the policy lie in the attempt to guarantee farmers' incomes through the fixing of high consumer prices enforced through levies on imported food and then the buying into intervention of the

## Castle

resulting surpluses which the market cannot absorb? Is not the failure of the social policy due to the fact that it has been combined with the wrong economic policy? Once you start to say you are going to support agricultural incomes through price support, then you have got to fix a price level that at least just keeps the less efficient farm in being and in doing so you give excessive profits to the efficient and the well-to-do. That is an inescapable logic and we are trapped in it in this debate. It is this too, of course, which leads to the regional inequalities and distorts world trade through the reliance on export refunds. Above all it threatens the economies of the developing countries. To allow the surpluses to go on and then say we will give them out as food aid to developing countries in forms which suit us is no substitute for a world trade policy which puts the needs of the developing countries' economies where they should be.

What the present system of price support means above all is that so much money goes on supporting prices that only derisory amounts are left for structural policy. We have a mere 500 million units of account this year for structural policy out of an agricultural budget of over 13 billion. It is all very well for Sir Henry Plumb to put nice phrases in his report about doing more for the Mediterranean area and for the deprived regions. Where is the money going to come from? Not from his government! They are cutting down money on the poor all over our own country and they are not going to care about the rest of the poor in the European Community. No! It is a redistribution of the money that we need first. And, you know, the Commission knows in its heart of hearts that the only answer to the problem is to reduce intervention prices to a level which clears the market, gets rid of the surpluses, makes export refunds unnecessary and finally enables consumers to buy more of what the rich agriculture of the Community produces.

I was very interested too in Mr Andriessen's comment about Sir Henry Plumb's paragraph 16. Mr Andriessen said something very significant — I hope I took it down correctly. It is increasingly difficult, he warned Sir Henry, to take into account producer incomes and market realities. Of course it is! Of course it is, when your producer income depends upon an unreal and unmarketable price. This is the dilemma that we have got to solve, which we seek to do in our document. In our alternative policy therefore we argue that the time has come to face the fact that we must set ourselves the deliberate aim of switching in the medium term from a policy of supporting agricultural incomes through high intervention prices to one of supporting agricultural incomes, where necessary, through direct aids. Only in this way can we be sure of clearing the surpluses while at the same time directing Community financing to where it is most needed.

The Commission loves to hint that national aids would be terribly expensive, but it depends to whom you give

them and in what form. It is clear that it would not simply be a question of switching money from the Guarantee Fund into national aids for everybody. The aids for less favoured areas in the Community budget are already too indiscriminate. Actual subsidies for less favoured areas are going to the richest economy in the European Community, and Members from that country are the first to object to it if they are true Socialists. It does not make sense. Through the policy we advocate we believe we could cut the expenditure on the Guarantee Fund in half, and you would then have billions of units of account to put into the deprived areas on the bases of criteria which are objective and which can give you a picture of where the need for help really lies.

We call on the Commission to draw up a deprivation map of the European Community, showing the areas where, first and foremost, agricultural incomes are well below the average agricultural income in the Community and also showing the relationship between the wealth of that country, the GDP per capita in that country, and the average GDP per capita of the Community. Then it will stand out starkly on our map where the money ought to be going and from whom it ought to be taken. We argue that such a policy could give us economies and give us a better attack on poverty than we have ever begun to attempt in the European Community.

We are often told, you know, that we shall break up the Community by renationalizing agriculture. For heaven's sake, agriculture is 60% nationalized at the present time, because the farmers in the Community already depend for 60% of their support on national aids. These aids are uncontrolled, unmonitored. Let us bring them into some kind of order in an overall agricultural development plan. This cannot, of course, be done overnight. We call for a transitional period of 5 years during which we systematically work towards this goal. If we once got our analysis right, then inevitably we shall move towards the solution in better array than we have done up to now.

I say this in conclusion. Instead of coming and wagging its finger at us about national aids, why does not the Commission dare to examine the facts of every policy? Why does it not undertake a detailed study of the social, economic and financial consequences of adopting this policy of lower prices and the use of direct aids in cases where serious income problems may arise? We also call for studies of the national effects of all these other alternative policies — quotas, degressive prices, producer co-responsibility. We are making policy in the dark because we have not got the analyses, the studies and the effects, and that is because we have got closed minds. Amendment No 113 asks this Parliament to open its mind of new facts.

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

**Mr Tolman.** — (NL) Mr President, a great deal of work has been done in preparation for this debate, and on behalf of my group I should like to offer Sir Henry Plumb my sincere congratulations on this report. I noticed that the rapporteur's presentation was followed by a great deal of applause from his group. I hope that, despite the amendments tabled by members of his own group, Mr Curry and Mr Hord, they will all stand behind him when it comes to the final vote.

Mr President, we find it regrettable that Mr Dalsager cannot be with us. We welcome the fact that Mr Andriessen is here and that he has made so clear a statement as an introduction to the debate. From what he has said I have the impression that his views correspond to those of my own group in many respects. That is an encouraging sign for the future, particularly with regard to the report that is due to appear shortly.

From a study of the contents of the report one very clear conclusion can be drawn: there is no need for any basic changes to the agricultural policy. There is no need for everything to be turned upside down, as Mr Andriessen put it. I agree with him on this. We must abide by the guiding principles of uniform prices, Community preference and financial solidarity.

Despite the fierce and wholesale criticism voiced by the last speaker, Mrs Castle, it is clear that the European agricultural policy is certainly not yet in such bad shape. I should like to see Mrs Castle listening to some of the other speakers for a moment rather than leaving the Chamber when the group spokesmen take the floor. She would then find it easier to be somewhat more subtle in the future.

(Applause from the European Democratic Group)

One advantage of the Community's agricultural policy I should like to mention is that we have no shortage of food, that people have a wide range to choose from and that everyone can buy food at reasonable prices. That is an important point when we consider all the price increases that have occurred in the Community. It is something that should be borne in mind.

However, the satisfaction I feel with the agricultural policy does nothing to alter the fact that various comments are, of course, called for. We feel that a new course must be adopted in a number of respects. There has been talk here of a quantum policy. We believe that with the introduction of this concept a new course can be adopted. We completely reject the idea of a quota policy, *dirigisme* or quotas for individual producers, but we are in favour of the adoption of the quantum policy. Of course, this idea has not been fully developed in the report, but we feel that this is a way of achieving satisfactory balance in the market.

There has also been a great deal of complaint about concentration on the wrong products. I am thinking

here of the dairy sector in particular. So there must be some change in production. I am not saying that rigorous action can be taken in the Community, but something can be done. Production can be channelled along different lines. For example, we can grow more soya in the Community, more high-protein products, and we can certainly put a larger area under cereals. This is particularly important with regard to food aid.

I agreed with what Mr Andriessen had to say this morning, that we must be extremely careful about importing products that are a substitute for cereals. Moderation is required in this respect. This does not mean that I disagree with the spokesman of the Committee on External Economic Relations, Mr Jonker, when he said that the Community must keep its frontiers as open as possible. My group has no time for protectionism, but when the Committee on External Economic Relations says frontiers must be kept as open as possible, I have the impression that it is addressing the United States of America rather than the Community, because in this respect United States policy is in some need of adjustment.

I also note with satisfaction the clear reference in one paragraph to the need for a Community strategy with respect to oils and fats. This was also stressed by Mr Andriessen. We must think very carefully about precisely what we mean by 'a Community strategy for oils and fats', but with Spain knocking at the Community's door it is clear that action must be taken.

I should like to refer to one new course that must be adopted regarding strategic food stocks. When it comes to oil, primary energy sources, we talk about stocks to last us several months, but in some cases we think it is going too far to have stocks of basic food-stuffs for just a few weeks. My group supports the principle that there must be secure supplies of food for the consumer in Europe and for the hungry in the world. I should like to make that quite clear. Food policy is not an *ad hoc* policy. There must be security of supply to the hungry of the world. This can only be achieved if we give thought to strategic food stocks.

Another issue is the incomes policy. We must overcome a situation in which a man earns more for less work in industry while farmers work longer for lower incomes. This means that we attach a great deal of importance to the objective method. This method has been criticized by various people, including Mr Andriessen in his introductory statement. I can sympathize when he says we cannot just have the objective method, as that would make for an inflexible agricultural policy. That is true, of course, but reasonable account must be taken of increases in costs. We would like to see a better price policy being pursued and — in complete contrast to Mrs Castle — we reject the idea of an incomes policy, a charity policy for European agriculture. The basis must be formed by a sound market and price policy, not an agricultural policy that is based on incomes subsidies. That would



**Tolman**

not help at all. We cannot, I feel, write out a blank cheque here. Those who criticize the cost of the agricultural policy would not know what sum to enter either. It would be a very expensive policy.

To conclude, I should just like to say one more thing. To keep to the speaking time allocated to me, I shall be very brief. We very much welcome the establishment of the Rural Fund. It is clear, after all, that disadvantaged areas, backward areas, mountain areas in many parts of the Community cannot be helped with an agricultural policy alone, whatever form it may take, or with a price policy alone, however high we may set the price. That is not enough. There must be a general reconstruction of rural areas. This means that we must get together, both in agriculture and in the committees, and that the Rural Fund must be given form and substance.

I thus come to the end of my statement. When we talk about a Rural Fund, our hearts go out to those who are in difficulty in many parts of Europe. It is our political conviction that very close attention should be paid to these people.

**President.** — I call the European Democratic Group.

**Mr Curry.** — Mr President, three days ago it was my birthday and one of my birthday cards showed a large steep staircase and at the top of the stair was a very big bone and at the bottom of the stair was a very small dog and the dog was trying to struggle up the stairs to reach the bone. I sometimes think that in our debate on reforming the CAP we are collectively at the bottom of the stairs wishing we could find a way to slide up the bannister to the solution at the top.

*(Laughter)*

Now, why do we actually need to talk about reform? The answer is quite simple. The CAP was put together a generation ago against a background of rural poverty and distress and against a background of a rapidly expanding world economy and a growing industrial strength in Europe. This is not the case any longer. Certainly there is still rural deprivation but there is also increasing deprivation in the inner cities of Europe. Certainly we accept the need to maintain life in the countryside based on diversified economic possibilities, but what we have got now is an end of that long period of growth in international trade, faltering economies throughout the Community and a colossal expansion in yield and output in agriculture itself resulting in the creation of surplus production for which there are no consistent and permanent markets that will cover our production costs. In these circumstances, and in the light of the approaching crisis of the budget as a whole, it is frankly no longer possible, no longer desirable and no longer even socially just to award to the farmers alone a God-given

right to produce what they want, where they want and in as great a quantity as they want, subject only to the constraints of inflation-cost climate and to have the European taxpayer and consumer meet that bill.

This is something that has been recognized in the Commission. With the one simple overloaded piece of equipment it has, namely, the price mechanism, the CAP cannot perform any, let alone all of the functions required of it. It cannot support farm incomes, promote regional development and sustain employment in the countryside. It cannot manage the production of food and manage the policy for the import and export of food and provide food at reasonable cost to the consumer. It does not have the means to do it and it certainly could not do it even with a budget of double its present size.

We therefore need a means not necessarily to restrain production itself but to limit the Community's financial obligation to purchase at a guaranteed price this output. This leads us to some form of restriction upon our budgetary liability. In the Plumb report we have opted for the quantum and we are happy in this group to support that general thesis.

Now, Mr President, I wish to talk a little bit about national aids because 60% of spending is already in the national sector, mainly through things like social security and capital allowances and credit subsidies. A certain part of the CAP has always been financed by national aids, often with cooperation from the Community — joint financing of these policies — but now there are increasing volumes of national aid designed simply to boost effective prices across the board and therefore to undermine in the national capital whatever policy has been decided in the Community. And all this takes place against a ritual chanting of belief in the famous principles of the CAP. Mr President, to engage in the singing of psalms while committing mortal crime is surely a rather perverse form of enjoyment of either religion or sin.

Now, it is not realistic to sweep away these aids. The Community taxpayer cannot take them over, the national governments will not abandon them and there are certain Community farmers who would never survive without them. I myself have recently visited Northern Ireland, which falls very definitely into this category. So what we have to do is to find a relationship between these two methods of financing in a framework of discipline to preserve competition. But if we have a framework of discipline, then the Commission must start to police these aids effectively and respond to them quickly. The actions of Brussels in response to even the most flagrant use of illegal aid reminds one of a geriatric out-patient riding a penny-farthing bicycle across the Forth Bridge in a high gale! Oh Lord, please make me virtuous, but Lord, not yet! That is the Commission's motto.

*(Laughter)*

## Curry

But the Commission must tackle more than just illegal aids; there is an increasing volume of aid of which every element is legal, yet the sum of which is to create an illegal effect. The sort of thing we are talking about are regional aids. Where legal aids enable one producer to actually sell on a market at below production cost, certainly you should be under an obligation to look at the total effect of those aids being disbursed. It is particularly appropriate that Mr Andriessen is with us here today, for it enables me to ask him what the latest position is on the Article 93 proceedings on Dutch gas and the Commission's position in relation to the proposed new tariff; . . .

*(Applause from various quarters)*

. . . what is his position on the Article 93 proceedings opened against France in February? And, of course, since he mentioned the mandate, we trust that the Commission's ideas will be revealed to the Parliament, or one of its committees, before it is revealed to any other organization in the Community, the governments obviously apart.

*(Applause)*

Finally, Mr President, if I might mention the oils and fats and cereals substitutes problem, we recognize in particular the problem of these substitutes, like manioc, feed and bran, which knock about 14 million tonnes of feed-grains off the Community market and into subsidized export. We know that there are animal feed plants near, for example, Rotterdam using no cereals whatsoever in their rations. We realise that there is a significant international trade in these products and we are all looking forward, when the representative of our French Communist colleagues speaks, to hearing again his particularly poetic and moving passage on the multinationals, the charm of which is only slightly dulled by its familiarity.

*(Laughter)*

But where is the real problem? There is no point in talking about voluntary restraint or taxing imports, unless we address ourselves to the essential problem of the excessive cereals price in the Community, which, combined with the pressures the Commission itself exerts to push farmers out of other sectors of agriculture, pushes them into cereals as the most safe and relatively easy cash crop. And even where the climate and the land is suited to cereals, the price structure is so bizarre that it has become a science all of its own to grow high-yielding wheats which pass the breadmaking test, but which are so low in protein that bakers cannot use them without adding gluten to restore some semblance of nourishment. I have limited myself, Mr President, to these basic points because my colleagues who follow me will take up other specific points. We really do need a systematic policy of attacking this area of cereal substitutes, of which an

important element must be restoring the equilibrium of prices within the Community itself.

We do not believe in radical gestures, Mr President. I was very struck by Mrs Castle's remark. I have a little parable for you which refers to Mrs Castle's past.

Once upon a time there was a Minister of Labour or Employment in the United Kingdom who thought that we ought to have a radical rethinking on industrial relations, and she produced a radical reform of industrial relations called 'In place of strife'. She presented it to her British Government, and before she could turn round the tanks were on the lawn and her own Prime Minister was in full-scale retreat. Since then her party has gone in precisely the opposite direction.

That is precisely what comes of a too easy radical rhetoric which is designed to go straight through the microphone and directly through the microphone. It gets you actually the opposite of what you want; we have in the UK the opposite of what she proposed. The CAP is not going to be reformed in a glorious gesture. There is going to be no band of archangels singing hymns to the new reformed agricultural policy — it will be grudging, step-by-step, bit-by-bit, very agonizing, and at the end of the day we may be two or three steps closer to the bone at the top of the stairs.

*(Laughter and applause from the European Democratic Group)*

**President.** — I call the Communist and Allies Group.

**Mrs Barbarella.** — *(IT)* Mr President, I would like to make two preliminary points. The first is that this debate has been postponed many times, and by the time it was finally put on the agenda for this sitting, the Commission's work on the mandate of 30 June had already reached an advanced stage. I wonder at this point how Parliament's position can have any influence on an approach which has for the most part been already determined. It appears that once again Parliament has failed to assume the leading role which can alone provide the political strength so often hoped for in this Chamber.

The second point is that, despite the important work accomplished by Sir Henry Plumb, the Committee on Agriculture's report does not — at least in the opinion of the Italian Communists — constitute a clear and firm position on the need for profound changes in the present agricultural policy. The report does not, in our view, identify with sufficient clarity either the problems which are at the root of the crisis in European agriculture or a real strategy for change. It does contain a list of possible improvements — and this, moreover, is the very title of the resolution, which seems to me already very significant in itself — many of which are certainly acceptable. On the whole,

## Barbarella

however, these improvements fail to represent an organic approach to reform which would identify the essential steps to be taken to correct the distortions of the present agricultural policy, the specific means to be employed and the priorities to be adopted. In other words, we have here a series of corrections which can effect no profound changes in the distortions of the mechanisms of support and intervention which are now in use; neither can such corrections prevent the damage caused daily by the common agricultural policy in terms of productive and regional imbalances.

This is why we voted against the Plumb report in the Committee on Agriculture and why today we are presenting amendments which trace the lines of a thorough reform of the agricultural policy. I would now like to summarize these amendments briefly.

In our opinion the reform of the agricultural policy must deal in a global manner with the problems of the agricultural sector in Europe, and not consist solely in a few minor corrections to certain distorted aspects. It should be oriented towards the development of all the productive areas of the Community — and I underline this strongly — of all productive areas, and not only a few, on the basis of the specific structural and productive features of each. It should be clear to each one of us that neither sectoral interests nor the protection of certain categories of workers — indispensable though this may be — is what is essentially at stake. We are dealing with the very possibility of development for whole areas of the Community, not only in the Italian Mezzogiorno but also in many parts of Northern Europe, and thus the balanced growth of the entire European economy is involved.

We believe that the problem of the reduction of agricultural expenditure should also be viewed from this perspective and not therefore in terms of budget austerity at the expense of the weakest, nor in terms of financial compensations between Member States. This question, in our opinion, should be resolved by a verification and a requalification of present expenditures in order to eliminate unproductive expenditures and free common resources for the territorial rebalancing of European agricultural production.

To accomplish this we believe it essential to involve the Commission and the Council, in the context of the mandate of 30 June. Firstly, they should strive to outline a reform of the present agricultural policy which would strike at the root of its internal imbalances — that is, the anarchy in production and the regional disparities — taking into account the changes which have occurred in the international situation since the 1960's and the developmental difficulties in the agricultural sector caused by the economic crisis. Secondly, they should identify the most significant steps in this reform and draw up a definite timetable for their realization. Thirdly, they should produce a long-term budget indicating the progressive rebalancing of expenditure in relation to the various steps in the

programme of reform. Finally, they should immediately take up the central problem of the zootechnical sector and propose solutions which can serve as the point of departure for the process of reform.

This process should, in our opinion, be inspired by two principal criteria. The first stems from the need for a general rebalancing of production, which can only be accomplished in the framework of a comprehensive European production programme permitting, for example, the reabsorption of structural surpluses over ten years and the development of production sectors in view of a gradual removal of trade barriers affecting the developing countries. I must emphasize strongly, however, that such a programme must in no way exploit the problems of hunger and underdevelopment, which cannot really be solved simply by an increase in exports. The second criterion is the need to correct Community mechanisms so that development will no longer be concentrated in certain areas; the disparities now in existence should be eliminated or reduced as much as possible.

European agriculture was not homogeneous twenty years ago; nor is it so today. The programme of reform must make this eventual homogeneity a concrete objective. In order for this objective to be reached, we believe that the role of the prices policy should be redefined. This policy will continue to be an important instrument for market orientation, but it should be contained within definite limits. Secondly, we believe that it is essential to develop a type of structural intervention no longer to be conceived of as indiscriminate action throughout Community territory but as a policy directed at the general improvement of the social and economic conditions of each specific region. In fact, in many areas of the Community development of the agricultural sector is only possible if combined with developmental programmes in non-agricultural sectors. We must pursue a broad policy of intervention in favour of integrated regional projects, using all available financial resources and increasing them at need. We believe that only a large-scale programme of renovation and development of the most troubled areas can bring about the process of convergence in the European economies upon which a stable and lasting recovery of the Community economy as a whole must depend.

These, Mr President, are the reasons upon which we base our conviction that the discussion of the reform of the CAP must transcend sectoral boundaries and assume a more general role in the battle for the political, economic and cultural renewal of Europe.

*(The President welcomed a delegation from the parliamentary committee of EFTA<sup>1</sup>).*

**President.** — I call the Liberal and Allies Group.

<sup>1</sup> See the minutes of the sitting

**Mr Louwes.** — (NL) Mr President, on behalf of my group I too should like to begin by complimenting Sir Henry on his report. My group is able to endorse his report. It breathes a spirit of liberalism and realism as regards what is and what is not possible under the much discussed common agricultural policy. We are particularly pleased with the greater realism and the fact that subjects previously abhorred can now be discussed. By this I mean machinery for the management of production and financial co-responsibility, ideas which Parliament found it very difficult to accept a year or two ago. This will, I feel, improve the prestige and credibility of this Parliament. I thought I also detected this in Mr Andriessen's words. I was pleased to hear what the Commissioner had to say, and I should especially like to underline his interpretation of paragraph 13 of Sir Henry Plumb's motion for a resolution regarding the desirability of a global, Community quantum. We too have recognized the need for co-responsibility to be directed at production in excess of the global quantum. Like COPA, whose views we have heard on the subject, we feel that co-responsibility must be directed at the finding of solutions and must not degenerate into a simple tax or reduction of the price paid to the initial producer.

Mr President, this report contains a number of pointers to the future which focus, in particular, on the export policy of our Community. This brings us to GATT, in which this policy, like the agricultural policy, is now anchored and of which they are, I feel, in some ways 'captive'. We hope that by the mid-1980s the agreements governed by the present GATT will be fully implemented.

I do wonder, however, whether it would not be possible or desirable for the Community then to take the initiative in calling for a new round of negotiations within the framework of GATT in view of the considerable and continuing growth of the world population, which now amounts to 4 000 m and will rise to 6 000 m in twenty years' time, a 50% increase. It is now clear that the aim of agriculture, in the EEC and elsewhere, must be to maintain production potential. And it is also clear that in the early 1990s we must bring about a change in the patterns of world trade, directing them to where there is a shortage of food. I think of South-East Asia and Africa, for example. Food is still going to where the money is. I believe the Western industrialized world has a duty to meet these needs. The United States and Australia also have a duty in this respect, despite the discouraging words we hear from these countries, which feel — wrongly, I am sure — that the EEC should be in the dock. I call on the Community to take the initiative in the mid-1980s or thereabouts.

After the Dillon Round, the Kennedy Round and the Tokyo Round, an EEC Round, or perhaps a Thorn Round, seems to me a completely appropriate way of meeting the needs of the world in the 1990s.

IN THE CHAIR: MR MØLLER

*Vice-President*

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

**Mr Vié.** — (FR) I should like first of all to join with the other speakers in congratulating Sir Henry Plumb on his report and on the outstanding quality of his work. Invaluable as this document obviously is, we are afraid lest its contents be reduced by and large simply to fine sentiments and good intentions. When not too long from now we come face to face with the realities of the Commission's proposals, I shall be curious to know to what extent it has taken into account the recommendations contained in the Plumb report. Perhaps we shall hear something on this subject when the Commission speaks in this debate.

The Group of European Progressive Democrats believes that the Plumb report contains many positive features. In particular it reaffirms the central principles of the common agricultural policy, i.e. common prices, financial solidarity and Community preference. It also calls for an assurance from the Commission that in formulating its price proposals it will apply the objective method, so that they may reflect realistically the income situation of the producers and the state of the market.

However, our group disagrees with the Plumb report on a number of points, particularly on the chapter dealing with pricing policy and more specifically on the matter of export refunds.

In the milk and dairy products sector, for example it would be logical to suppose that such a system of calling for tenders would be limited to export restrictions on butter and skimmed milk powder. The system applied to the market in sugar and cereals works on the basis of the weekly availability of stocks. In the case of some countries trade in dairy products with third countries is conducted on the basis of annual supply contracts. It is vital, therefore, that any new system should have built into it the facility for fixing prices in advance to allow European dealers to make a firm offer in connection with an annual supply contract. There is absolutely no question but that the political uncertainty about our trade with the Soviet Union and its implications for the dairy products sector — and butter in particular — was responsible for the introduction of a system of refunds.

Perhaps the Commission could tell us when the political difficulties with the Soviet Union will cease to interfere with trade and trade relations with third countries as a whole.

**Vié**

This brings me to the chapter concerning measures to restore market equilibrium. This whole debate revolves around surpluses and the extremely heavy cost of financing them. Clearly so long as we have these surpluses, we are going to have to find a way of dealing with them. However, the solutions must be logical and reasonable. They must respect the central principles of the common agricultural policy and recognize the necessity of giving every farmer in every Member State a decent standard of living. I therefore cannot accept the introduction of quanta or quotas which are the very negation of these principles.

It is certainly very encouraging to see the following ideas in the Plumb report: the creation of favourable conditions for the long-term development of efficiency in European agriculture, higher production leading to an increase in purchasing power for producers, procurement of reasonable incomes in the agricultural sector, encouragement of exports, improvements in production structures. All these are, have been and always will be part of the platform of the Group of European Progressive Democrats, and you will not be surprised to hear that my group upholds these principles.

However, our greatest disappointment comes immediately after that with the call for the introduction of a global Community quantum. There are some, I think, who must be rubbing their hands at the prospect, and I am referring specifically to certain large cereal and dairy producers in certain large Member States who will without any doubt be the main beneficiaries under such a policy.

But how is such a system compatible with the principle of parity between large and small Member States, between developed and developing states, between different regions and producers? How could such a system fail to hamper the development of the agricultural potential of the smallest nations which have few industries and whose economy is very largely dependent on agriculture? Would not such a system inevitably penalize the small producers and the regions, whose economy and social progress depend on the very products that are going to be the first to be affected by the proposed system of quanta, not to mention the generalized co-responsibility that goes with it? When assessing the balance between the Member States of the Community, the impact and overall effect of any Community policy or instrument must be taken into consideration. It follows therefore that those who wish to change the common agricultural policy cannot simply suit themselves by choosing whichever particular Community arrangements happen to work to their advantage and theirs alone.

**President.** — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

**Mr Vandemeulebroucke.** — (NL) Mr President, the agricultural policy, as it has been pursued in the past and as it is described in the Plumb report, is really primarily designed to suit large farms. To remain viable, they are obliged to allow themselves to be dragged along by the flood of endless growth without regard for demand. It is now clear that this policy was the direct cause of the mounting surpluses. But it is equally important to remember that the tempo thus imposed and the size of the investments has hamstringed countless small holdings and made them completely dependent on middlemen. It is disconcerting to read that of the 18m farmers at the time the agricultural policy first came into being, fewer than 8m now remain. This means that 10m farmers have been removed, at a rate of one a minute. The only chance the farmer has of coping with his investment burden is constantly to increase production, meaning that he shares the responsibility for the enormous overproduction with which we now have to contend. Above all, he is tied hand and foot to middlemen, and they have come to occupy a monopoly position in negotiations. They are pushing the agricultural policy in the direction of large-scale modernization and monoculture. In this way the Community has disturbed the relationship between the farmer and the consumer and cut out both farmer and consumer, and it is principally the middlemen who now determine the course followed by the agricultural policy.

We need a different agricultural policy to enable the small farmer to play his part again. After all, many farmers do not want to concentrate on just one crop. They prefer mixed farming so that they can spread and minimize the risks. I am quite convinced that what is needed here is a regional policy, because it alone will make a selective agricultural policy possible. It is unlikely to be achieved with a policy which forces the agricultural sector to think in terms of large-scale production and to adopt an industrial approach. The farming population must be maintained in typical farming areas, if there is not to be a social and cultural collapse and the disintegration of rural communities. There must therefore be a combination of methods geared to integrated development, particularly in the weaker regions. I consequently advocate a differentiated price policy, under which an income is guaranteed for each product and intervention declines when a given production level is exceeded. Only then will the pressure be removed from farms to produce increasing quantities, while they, especially the smaller ones among them, will still be assured of a reasonable income.

In addition, the massive imports of animal feedstuffs must be curbed. These imports are designed to enable the number of cows per hectare to be substantially increased. It is not the farmers but principally the dairies that reap the benefit, because the cost of dairy production then falls and the profit margins increase. I have therefore tabled a number of amendments to the Plumb report to this effect. They call for a differen-

**Vandemeulebroucke**

tiated price policy, a regional, combined approach and the restriction of imports of animal feedingstuffs. This might bring us a small step nearer to proper protection, particularly of the small farmer.

**President.** — I call the non-attached Members.

**Mr Paisley.** — Mr President, the common agricultural policy has been totally ineffective in maintaining a viable agricultural industry in Northern Ireland. Agriculture, as Northern Ireland's basic and single most important industry, has been under tremendous pressure in recent years. Its state of crisis is perhaps best illustrated by a comparison of our farmers' net incomes in the past three years. The figures are staggering. In 1978 the net income was 64 million pounds, in 1979 it was down to 33 million and in 1980 it slid down to the unbearable level of 9 million — in three years therefore a drop from 64 million to 9 million. In real terms the picture is even worse with the fall being 60% in 1979 and near 80% in 1980.

To say therefore that Northern Ireland's agriculture is in a desperate state is but to state the obvious. Despite many plaintive pleas in this Assembly and elsewhere, the aid given by the EEC and the CAP is but a pittance. Not only has the present agriculture policy failed to rescue Northern Ireland's farming industry, but it must also be remembered that it is the CAP that is responsible, at least in part, for bringing our farming to its knees. It is the CAP rules on cereal imports that have robbed Northern Ireland of the cheap world grain that always kept in existence our intensive livestock sector, which is so essential to our small acreage farms. It was the CAP rules that helped to rob our dairy farmer of the national government milk aid and it is the EEC rules that deny us the right to have transport subsidies to offset the disadvantages suffered by reason of our geographical isolation.

In passing these strictures on the CAP, let me go on to point out how far the CAP has departed from its own original guidelines of 25% of its funds being spent on the Guidance Section and 75% on the Guarantee Section. Last year only 8% was spent on Guidance and 92% on Guarantees. It would appear to me that the implementation of the original policy would improve the chances of effective action to overcome special difficulties of a structural or regional nature, such as those suffered by Northern Ireland.

Coming now to some of the principles enunciated in the resolution, let me deal with the cardinal principle of penalties for over-production falling on the producers responsible. This affects Northern Ireland perhaps most of all in the dairy sector. We have a highly developed and competitive dairy industry which is suffering greatly through the co-responsibility levy. In my view the notion of blanket penalties on all producers of a commodity which is in surplus must be

tempered with an appreciation of the economic and agricultural realities of each region. In Northern Ireland, for example, for climatic and other reasons arable farming is not an alternative to grass-based dairying, whereas in many other areas a switch from dairying to arable farming would be quite possible. It seems to me therefore that those areas which have a real alternative to dairying are the ones that should be forced to cut back on milk production, while areas as Northern Ireland, which are best suited to dairying, should be allowed to develop it further. Only when the CAP tempers its approach with such reality will its solutions stop creating greater problems than they are meant to solve.

In conclusion let me support the demand in paragraph 47 of the resolution for greater coordination of regional and social policies. Towards this end I welcome the idea in paragraph 48 of creating a rural fund to promote coherent policies and in particular the establishment of parallel agricultural industries in the poorer regions. I would thank Sir Henry Plumb for the great amount of work he has done in presenting this report.

**President.** — I call Mr Woltjer.

**Mr Woltjer.** — *(NL)* Mr President, I am speaking on behalf of a large proportion of my group who do not agree with the resolution that has been presented by Barbara Castle on behalf of the majority of the group.

*(Laughter)*

I should like to make this clear because I do not think that incomes subsidies are the way to reform the agricultural policy. As I have said on several occasions, I feel the policy needs to be changed. The Plumb report provides an impulse for such changes.

When I attended my first debate on prices two years ago, I tabled an amendment which said that the price instrument had failed to achieve its dual objective of guaranteeing incomes and controlling the quantities produced. That amendment was rejected. I now find it as a headline in the Plumb report. In that respect, therefore, a step forward has been taken, an important step, and the next steps will be worth the effort. Two years ago there was little talk of the reform of the agricultural policy. Anyone who referred to the subject in the Committee on Agriculture was told that there was not even a desire to recognize that surplus production was a threat to the interests of farmers themselves. I now see that the mood has changed, partly due to the pressure of the budget debate, and that the need is now recognized. There is certainly now a desire for change in the policy. Whether that is called a reform or a major change makes little difference.

I have had another look at the report drawn up by my compatriot, Mr Tolman, two years ago. He was the

## Woltjer

first rapporteur on this subject, the issue subsequently being taken up by Sir Henry Plumb. The report by the Dutchman, Mr Tolman, clearly states that there are no problems and that the budgetary problems could easily be solved by imposing a levy on margarine.

I find it extremely significant that the Plumb report no longer reflects that view and that another approach has clearly been chosen, namely, a number of new instruments for the agricultural policy.

The report before me creates a basis, and I should like to compliment Sir Henry Plumb on that, but this does nothing to alter the fact that I have a number of points to criticize. One of the most difficult problems has not been solved, i. e. the question of the procedures to be applied in the case of the quantitative restrictions. This is an important matter, and we did not manage to discuss it in the Committee on Agriculture. When it was introduced, the co-responsibility levy was regarded as a quantitative instrument. It was said that imposing a levy on farmers would make it possible to reduce the surpluses, but it has proved a failure and nothing more than a disguised price policy. The super-levy that is being considered for the dairy sector, for example, may also prove to be a disguised price policy. After all, if this super-levy is related to total production, through the dairies, it is nothing more than a disguised price policy, and in this report we are opting for a quantitative approach. I therefore hope that there will be no more talk of this in the future. We want a quantitative approach, and it is on this basis that the procedures must be established. That is important.

I should also like to take up a remark made by Mr Andriessen in opposition to quotas. There will be a great deal of discussion on this in the years to come, because I wonder whether quotas will not be the result if we opt for a quantitative approach. Every farmer is, after all, willing to assume his responsibility. He can do so if he knows what price he will be paid for his product. We are now saying that he will receive a given price, but it is subject to limits, a limit on the growth of his production. How then are we to make the individual farmer responsible for the quantity produced? Then we come to the procedures; then we have to go to the individual farmer to get him to assume his responsibility. In other words, the central issue must be not dirigisme, but personal responsibility for the cost of the policy. Quotas can also be approached in that way. This is possibly a point we shall be discussing for a long time.

I have had somebody work out — nobody else has quoted figures — what a proposal like the one I put forward would produce in the way of savings. A proposal like this cannot be simply rejected; it refers to calculations and figures which are of real political significance. I have shown that the method I advocate for the dairy sector, for example, to curb surplus production would produce a saving for the budget of

62 500 m guilders over ten years and that farmers' incomes would rise by 8 300 m guilders as a result. Incomes in the EEC would rise by 40 900-m guilders, and the consumer would therefore easily be able to pay the higher price. He would have twice as much over.

That is the financial side of the matter, but there is another important side to my proposal. I am prepared to discuss any alternative, but I should like to see if anyone can refute my arguments. So much is said in Europe about the less favoured areas, and that goes for the Plumb report too. I agree with the rapporteur that we must separate policy objectives for these areas under the Regional Fund or a rural fund. But I consider it essential for employment to be created in those areas, which means leaving room for production. If we take production away from these areas, the money that is paid to them will, in fact, be something like poor relief. But they will get nothing out of it to make them more prosperous.

My plan indicates that specialization can be reduced in the wealthier areas if my approach is adopted, and by a score of about three. It is important for these areas to be given a share of production. Something has to be done about this.

A great deal is also said about the equality and inequality of incomes. The present policy can be described as a race without a finish. Everyone makes sure he gets his share of production, but the fact is that only a few powerful people are able to safeguard their incomes by expanding to gigantic proportions. The rest go under. When a plan designed to support incomes is put forward, it must state what incomes we are talking about. Not all incomes are in need of support, only those which are under pressure. My plan would enable an enormous reduction to be made in the inequality of incomes. If anyone else can come forward with a plan which would allow at least some of these objectives to be achieved, let him do so.

Mr President, I should like to conclude by making a few remarks on the other weaknesses of this report, of which there are three. On the subject of the relationship between the common agricultural policy and the developing countries the report is extremely vague. In fact, it fails to appreciate this link, despite a number of changes that have been made to the report at my instigation. In this respect Mr Andriessen has made a number of satisfactory comments. It is extremely important that the developing countries should be able to continue to sell their products in our markets. They have no means of changing their production patterns, and if Europe adopts a protectionistic approach towards them, they will undoubtedly have no future. That is something we can never tolerate, because there is a particular need for greater equality in international relations. I therefore feel that the report must be changed in this specific respect. I have also tabled amendments to this end. Thought must be given to

**Woltjer**

how the link with the agricultural policy can be improved to make it more to the benefit of the developing countries.

A third point I should like to refer to is the commercial policy, which similarly has a protectionistic slant throughout. I therefore feel that the paragraphs on the commercial policy must be changed. Hence my amendments to them.

I also feel that the report ignores a very important aspect in which interest is growing, this being the relationship between agriculture and the environment. The effect of agriculture on the environment, the industrialization of agriculture, is causing enormous problems in rural areas. Rural areas not only have the task of growing agricultural products; they also perform a recreational function as an environment in which city-dwellers can recharge their batteries. Nowhere does the report indicate how this industrialization can be checked, the enormous increase in scale, the tendency to keep 500 to 1 000 cows or 3 000 to 5 000 pigs on each farm. Does anyone really want this trend? The report is very deficient in this respect, and I therefore feel that appropriate additions must be made.

Mr President, two years ago a debate would not have been possible. But now a debate on a new approach to the instruments of the agricultural policy has become possible. Nor was a debate possible in the agricultural organizations two years ago. Now they too are making a start. The time is ripe for a genuine change in the agricultural policy with a view to solving the problems it involves, not to attack its objectives or principles but for the reasons stated, for example, in the Pisani resolution annexed to the Plumb report: unfair distribution of incomes, major regional problems, major problems connected with general incomes in agriculture and the enormous cost to the budget. These must be the central issues in this debate. This is a start, a good step forward, and the next step will be for us to discuss the procedures.

**President.** — I call Mr Früh.

**Mr Früh.** — *(DE)* Mr President, it has become almost a formality to congratulate the rapporteur. But this time it is more, since the chairman of the Committee on Agriculture has drawn up from an almost immeasurable wealth of material — we have a book containing 13 resolutions on the matter — a report which does not, of course, cover every aspect, but which — and this is the best compliment I can make the rapporteur — has been submitted at exactly the right time.

Perhaps something very special will happen today and tomorrow if this Parliament succeeds, before the Commission completes its task — this famous mandate

the Commission has received from the Council of Ministers — in raising its voice in a broad debate embracing all the political forces of the European nations, a debate that is taking place not in just any Parliament but in the directly elected European Parliament. I hope that the Commission will take appropriate account in its mandate of the motion for a resolution yet to be adopted. I can therefore say to the rapporteur that his is a magnificent achievement. The timing has been just right, even though yesterday it was asked — I do not know by whom — whether this report could not be held over until next month or even until after the summer recess. We were able to prevent that.

Nonetheless, some disappointment has been expressed about this report. I am not disappointed, but I felt it yesterday at the press conference, where we heard questions like 'What is all the noise about?' 'What is this that you are announcing?' 'What has happened to the major, radical, earth-shaking reform?' I can understand this disappointment. But, I feel, something has been forgotten: this is not a seminar at which agricultural policy is discussed and proposals are made. An attempt is being made here to formulate agricultural policy. But making policy is only ever the art of the possible. I hope that will not be forgotten in the newspaper articles on agricultural policy. If it is not, we shall have made quite some progress. We have already been plagued by so many reforms, and some people (still speak with considerable pain of reforms they once praised as gigantic steps forward. I will not mention any names, but it is a fact.

A policy that has been adopted must, of course, be constantly changed and improved. That is true of any policy, not only the agricultural policy. We are in the process of putting one foot in front of the other, and I believe that we have proposed — I cannot unfortunately say 'taken' — a number of important and decisive steps towards achieving some progress with the political possibilities and bodies we have. In this we can take one thing for granted: unless I am very much mistaken, the principles of our agricultural policy have the support of this House across party lines. So far I have not heard anyone say we must get rid of the whole thing and start afresh. That being the case, I feel we should at last agree on a few things and not keep on changing them.

This also goes for the principle that farmers' incomes must be principally determined by prices and the market. All I can say, because I can do no more than speak in shorthand here, is that anyone who thinks that prices are too high or too low must decide what he wants of the agricultural policy and what the object of the European agricultural policy is. Only then can I talk about prices. If the object is still the same as that agreed in Stresa — if it has changed in the meantime, we shall have to discuss the situation — and my group feels that the medium-sized, well-run, rationalized farm should still form the basis for the fixing of prices



**Früh**

by the objective method, prices must be geared to the incomes of these farms.

But there is something to which we should at last be giving our serious consideration: if this price — the structure varies considerably, from large to very small — makes a lot of people afraid that the excessively large could become excessively rich, they must not come to the conclusion that prices should fall, because then they will be confusing the aims of the agricultural policy with those of the fiscal policy. If they disturb a lot of people, steps must be taken under the fiscal policy. Those who are too small cannot, of course, contend with these prices. My question to those who call for incomes subsidies is: where are they to come from? The national treasuries are just as hard up as the European treasury.

In addition, I challenge those who say this must be done on a national basis to admit that they want to destroy the European agricultural policy. At least we shall then know where we stand.

If the prices are not high enough for the farms that are too small, we cannot help them with incomes subsidies. We must make it possible for them to diversify their activities.

I agree with Mr Woltjer and many others that a stronger regional policy is needed. We must get to the stage where anyone can earn a living through hard work — whether from agriculture alone or from agriculture combined with other activities — and we must get away from the idea that, despite the completely empty coffers, we should be constantly improving incomes by means of distribution, because we can only distribute what we have and, for a variety of reasons, what we have is unfortunately becoming ever smaller.

A few brief words on maximum quantities and co-responsibility. There are people and groups who believe that a greater burden could be placed on the European agricultural policy than it can, in fact, take. Anyone who wants to introduce maximum quantities, co-responsibility levies, super-levies and all these other things that are doing the rounds, but then tells us there must be no change in the quantities of substitution products let into the Community because they are sacrosanct, is deceiving himself. I will not dwell on this any further; another member of my group will be taking it up in a moment. But I hope that one thing is clear: the European farmer, like any other individual, is not only a political but also a sociological and a social quantity. What we are concerned with here are problems connected with agriculture, the environment and a great deal else, not just the problems of soya growers and other people. Threats to the European Community are out of place. This is not the way, in my opinion, to deal with one another.

People would do well to think hard before talking about financing limits. They might be suspected of not

being familiar with the size of the European budget or the allocation of costs and just talking hot air. What do they mean by talking of 1% decided by six Finance Ministers ten years ago? We now have ten Member States in the Community, new market organizations and new tasks, and all that is supposed to be covered by 1%? Anyone who accuses us of wanting to exceed the 1% limit — and we have not exceeded it yet — while constantly running up debts amounting to thousands of millions has forfeited the moral right to castigate the Community on these grounds.

This Parliament should adopt a new style with this debate today and tomorrow and state what is the political will of the European peoples. We may then be able gradually to become a respected partner of the other institutions.

*(Applause)*

**President.** — I call Mr Provan.

**Mr Provan.** — Mr President, first of all I would like to join the chorus of congratulations to Sir Henry on what I believe to be a remarkable achievement in gaining a unity which was not there eighteen months or two years ago in the Committee on Agriculture and on bringing forward a report which, I believe, is commanding some of the highest respect that we have seen for any report that has come before this Parliament.

*(Applause)*

I think that in the long run it will be of tremendous benefit to this Parliament because of its timing, as Mr Früh has rightly said, for we are the first of the three major Institutions within the Community actually to define our aims for the future of the common agricultural policy — and that is thanks to the careful guidance that Sir Henry has offered in his capacity as chairman of the Committee on Agriculture. What is wrong with the common agricultural policy is, of course, that it is suffering from its own success, but within the chapters of the budget we do need some reallocation of the things that are actually pertinent to farming and those which are more pertinent to foreign affairs. I agree with what the report says on that. What we are really trying to do, of course, is to make sure that the funds that are allocated to agriculture are really made available to it. We want to redirect those funds to the farming industry itself, and we want to make sure that the funds that are available are spent better. What we face is not a budgetary crisis but a crisis of over-production in certain sectors, and that is what I believe this report to be fundamentally concerned with.

Now I can go along with quantum, Mr President and Mr Chairman of the committee, provided one or two

**Provan**

things are met. Firstly, we should not look upon them as a permanent part of the future agricultural structure of Europe, because that is not the issue. We believe that this is a short-term measure to try and control the existing surplus production, which, we hope, we shall get under control with different mechanisms in the future. Moreover, we do not, of course, need quantum for products that are not in surplus. If we do have quantum, we shall, and must, be allowed fair prices for that amount of the product that falls within the requirements of the Community and of the exports which we hope can be built up. Co-responsibility for production over and above the quantum I will accept, provided it is sensitively done for each sector of productions, and I think that has got to be emphasized because each sector of production is different. We need a dynamic export policy, and we must try and build up permanent exports in order to make a serious contribution to some of the major world problems that we are facing and not just use exports as a way of getting rid of surpluses.

What I really want to talk about this morning are regional disparities and the creation of a rural fund. I come from Scotland, Mr President, and Mr Paisley has itemized what has happened to Northern Ireland. We have suffered in the last year a reduction in agricultural incomes of 53% and over a two-year period a loss of 82%. I believe that the idea of a rural fund and a rural policy is gaining understanding within this Parliament, and I am glad to see it because I believe it is essential. What we require are equal opportunities for the different areas within the Community, equal opportunities for the less-favoured areas. These areas have depended for too long on agriculture alone. What we have got to fight is depopulation, and there is nowhere that I know within the Community that is suffering to such an extent as Scotland — and, by gosh, we are suffering from depopulation! What we need is to extend the rural economy to other sectors and not only to agriculture. We need light industries and the service industries. We need agriculture and fisheries, of course, but also tourism and forestry.

How are we going to achieve better opportunities, equal opportunities in the less-favoured areas? I believe that we cannot do this by throwing money at these areas, because the effect might last for one or two years. I believe we have got to build into the European system some form of tax incentive. Why should we not have variable rates of VAT so that the less favoured an area is, the greater the benefits it gets from not having to pay VAT? I believe a regulation could quite simply be enacted and it would not cost the Community budget anything. It would be up to the national governments to live within Community edicts and to decide how less-favoured those areas were and therefore how much less VAT would have to be paid. I hope the Commission will consider this, because I believe it would not cost anything. It would, in fact, allow free and fair competition to take place within agriculture and would enable rural areas to become

more competitive, and I put it to Mr Andriessen, as Commissioner for competition, that he should have a look at this.

But when we look at it for VAT, why not look at it for other forms of taxation as well? I believe that with regard to the Western Isles, for instance, which must be some of the most disadvantaged regions in the whole Community, it would be possible to say, why have any taxation at all? It would not cost very much, because they do not pay very much tax. In fact, it probably costs more to collect the tax than actually comes in. I would have thought that if the Community were prepared to think along these lines and mention to member governments that this is a policy that could be adopted within the limits of fair trading and a taxation policy that the Community is going to develop, that could have a greater effect on the rural areas of the Community, and therefore agriculture as well, than an awful lot of other measures we are thinking about which are going to cost a lot of money that we have not got.

*(Applause)*

**President.** — I call Mrs Le Roux.

**Mrs Le Roux.** — *(FR)* Mr President, Community farmers are today under attack on two fronts. Firstly from within by all those who, using the excuse of budget constraints, are seeking to limit agricultural expenditure. But also from outside. The visit to Brussels a few weeks ago by the United States Secretary for Agriculture did not happen purely by chance. He did not conceal his wish to secure limits on agricultural production in the EEC and on exports of farm products.

We have to mobilize all our resources in order to counter these offensives, from whichever quarter they may come. The future not only of agriculture but also of our economy is at stake. To lull them into complacency farmers are fed with endless declarations of intent. But the fine principles and good intentions of the Treaty of Rome have failed to prevent the liquidation of thousands of farmers, a fall in income for the vast majority of those who survived and the exacerbation of imbalances and disparities. Over the years these principles have come to be respected less and less. We never had any illusions about the common agricultural policy and we have no illusions now about the results of this reform. All we do know is that it signals a new onslaught on the position of the family farmer. We are determined therefore to fight to our last breath to defend and consolidate the points of resistance formed by the struggles of the agricultural workers. The French Members of the Communist and Allies Group are making it their first priority to resist any ceilings on production, the more so as France's share of Community agriculture dropped from 31.7% in 1978

**Le Roux**

to 28·3% in 1980. Furthermore, EEC stocks of dairy products will soon be gone, and that is why we are utterly opposed to any tax on production.

We, of course, cannot go along with the Commission's proposal to make generalized co-responsibility a fourth Community principle. But we are equally opposed to the idea of a Community quantum proposed in the Plumb report. Such a system must inevitably lead to the fixing of quotas for each country and region, which would effectively freeze production and prevent growth. We shall continue to campaign for realistic prices to ensure that farmers are guaranteed a decent income.

The CAP has today reached a turning-point, with the future of farmers hanging in the balance. In order to negotiate it successfully it is essential on the one hand to reinforce its basic principles and on the other to introduce an effective export policy. Nowadays exemptions to the rule of Community preference have become the main order of the day for the Community. These exemptions are costing Community farmers and taxpayers dear but bringing good dividends to countries like the United States and New Zealand. We must put a stop to this by taxing imports of vegetable fats and substitute products, by ending all the special exemptions accorded to certain countries and, lastly, by restricting imports at preferential rates.

It is certain that unless we have an effective export policy, the scope for developing our production will be limited. The EEC must shake itself out of its lethargy and assume its rightful place in the world markets, particularly as demand for certain products such as proteins and dairy products is continually rising. Introducing an effective export policy means resisting pressures from the United States and the multinationals. The Commission does not appear to wish to follow such a course, since it did not react to the threats of reprisals by Mr Block when he visited Brussels, threats that are all the more outrageous when you consider that the trading deficit in agricultural products and foodstuffs with the United States continues to worsen. Finally, we are making a number of proposals concerning our relations with the peoples of the developing countries in the context of the fight against underdevelopment and hunger in the world. However, I shall leave to my friend, Mr Jacques Denis, the task of developing these proposals.

Those briefly, Mr President, are the proposals that we have incorporated in our amendments with the object of enabling our agriculture to make better use of its potential and our farmers to make a better livelihood from their farms.

**President.** — I would ask all Members to see to it that they have their voting cards with them for the vote on the Plumb report, which will be taken this afternoon at 5 p. m.

I call Mr Delatte.

**Mr Delatte.** — (*FR*) Mr President, before going on I should like to express my appreciation to our rapporteur, the chairman of the Committee on Agriculture, for the excellence of his work. I should like to have said more, but my time is limited.

The analysis of the way the common agricultural policy has developed in recent years bears out quite clearly the vital part played by agriculture and shows how production could be improved, particularly at a time of severe world food shortages.

What this report throws up above all is the fact that with the better management we have had in recent years there has been a proportional drop in agricultural expenditure under the Community budget, whereas production has been rising to the point where we are approaching self-sufficiency in certain products. As far as surplus production is concerned, we now have proof that better management, particularly as regards stocks, is beginning to produce very substantial savings and to give the impression of a dynamic agriculture, which in turn has a favourable effect on the Community as a whole.

I am therefore astonished at and deplore the amendment tabled by the Socialist Group seeking to replace the report with a proposal that would in effect put European agriculture in a strait-jacket, leaving it absolutely no room for any further evolution and completely stifling the initiative of producers, thereby turning them into subsidized farmers. On this point we find it totally unacceptable.

I should like to add, Mr President, that it is vital for the Commission to have free use of its powers in the matter of refunds, so long as it exercises them with greater flexibility and more effectively. The onus will, of course, be on the Commission to justify its decisions and their implementation subsequently.

I am thus led to the conclusion that the export sales agency proposed in the Plumb report is a necessity; not that it should itself be responsible for signing sales contracts, but it would enable dealers to sign forward contracts, thanks to the facilities that will be offered to them. The role of the Commission in this case is to encourage and provide the incentive for the signing of forward contracts and not to take the place of traditional observers, each having a particular task to perform and responsibility to assume. This incidentally is the purport of the amendment tabled by my group on this point.

A very important feature of this report is the call for the introduction of a 'global Community quantum for each sector'. I should like at this point to draw attention to the fact that this proposal, which was discussed at some length in the Committee on Agriculture, not

**Delatte**

only safeguards the idea of a quantum without arbitrary production ceilings but also offers a satisfactory solution to the problem of the co-responsibility levy, and it does so in a way that makes a constructive and dynamic contribution to the development of agriculture, since all the partners are involved in administering it.

Moreover, the paragraph relating to a joint strategy in the animal and vegetable fats sector and a policy on substitution products seems to me to be equally essential, since they are all connected and form a whole.

In emphasizing the importance of the Plumb report and the balance struck in it, I should like to say in conclusion, Mr President, that this does not mean that we accept the idea of an unalterable 1% contribution by each of the Member States of the Community. Agriculture is undeniably a major factor in the economy and greater attention is being focused on it, as Mr Früh said earlier, but I do not think that it is right to curb its continued development.

I will end by saying that if we want Europe to develop, just as agricultural policy is developing, we shall certainly have to re-examine one day this idea of ceiling limits which is, in my view, unacceptable.

IN THE CHAIR: MR BRUNO FRIEDRICH

*Vice-President*

**President.** — I call Mr Lalor.

**Mr Lalor.** — Mr President, I can be taken as continuing what my colleague on behalf of the group, Mr Vié, has said on this subject. At the outset I should like to commend Sir Henry on his efforts; maybe we do not go the whole way in fully agreeing with him, but we are very conscious of what he is endeavouring to do in this regard.

Under discussion here is a subject which is of considerable importance to the future of the European Community as a whole. The future of the common agricultural policy is an issue of concern to us all. It is not just the farming community which is affected but the whole economy, since agriculture and its related industries are of paramount importance to our prosperity as a whole and, of course, particularly that of Ireland. It was the very existence of the common agricultural policy which significantly influenced Ireland in seeking membership of the European Community in the first instance. The advantage for our economy of free trade in agriculture, with a common support policy and a common price system, was seen as a major argument in favour of joining the Community.

We saw the CAP as providing a solid basis for the long-term development of agriculture and of the entire Irish economy. And so we should be extremely concerned if that policy were to be eroded or fundamentally altered. The CAP continues to weigh heavily with Ireland in assessing the balance of membership in the same way as, say, free trade in industrial products does for some of the other Member States.

But what of the future of the common agricultural policy? We know there are problems entailed by this policy; some are exaggerated, but others must be cause for concern. The overriding problem is that of finance, because the present Community budgetary ceiling will be all but reached in 1982. As a result, there has been a lot of emphasis in recent times on curtailing agricultural expenditure so that the budgetary ceiling will not be reached or exceeded. The problem has also triggered off calls for basic changes in the common agricultural policy. Indeed, some opponents of the policy have seized the opportunity of calling for its virtual abolition. We know that there are those who want to see the CAP dismantled to the point where it could have no real chance of attaining the objectives set for it in the Treaty of Rome in the first instance. They want expenditure in agriculture curtailed or switched to other sectors. They also seek to have financing shifted from the Community budget to the Member State — a move which might well have a fatal impact on the Community's cohesion itself.

The argument that the burden of agriculture on the Community budget is excessive is, in fact, not borne out by the facts themselves. EAGGF guarantee expenditure represents only about 0.5% of the gross domestic product of the Community and only 3% of the total food expenditure of Community households.

Furthermore, the proportion of the Community budget accounted for by agriculture varies very much according to the interpretation one puts on the figures. The common assertion is that the CAP takes up 70% of the budget. I do not go along with this figure, since it includes such items as assistance for food aid, the cost of special concessionary arrangements for such products as ACP sugar, New Zealand butter and beef from several countries; neither does it take account of the contribution of agricultural levies. When all these factors are taken into account, the real net share of the budget going to the farm sector is close to 50%. This cost is a modest financial commitment to the only sector of Community activity where a fully integrated common policy exists.

Today we are examining the Plumb report and, to a certain extent, the Commission's reflection document on the CAP. In both instances there is an acceptance that EAGGF expenditure on market support measures should no longer be completely open-ended.

The remedy suggested is the introduction — as has already been said — of quanta and the extension of

**Lalor**

the idea of producers' co-responsibility for sharing the costs of disposing of surplus produce. My group, the EPD Group, rejects any systems of quotas, quanta, or whatever you care to call them, on the grounds that they are a mistake. This would take us back to the policies of 30 years ago and would place a strait-jacket of production limitation on European agriculture. We express the strongest possible reservations about the principle of generalized co-responsibility, whose shortcomings have in practice been greater than its advantages. It has penalized small producers and regions where economic and social progress are dependent on the development of those very products which are penalized.

The EPD Group wants to see all exceptions to the principle of Community preference abolished. In this context we welcome in principle the section of Sir Henry Plumb's report on Community preference. However, the section in question is far too cautious for my Group, not to say ambiguous. My Group goes further. We denounce the situation in the market in fats, oils and proteins. I think this is fairly clear. We have said it so many times. The Community imports 56% of the fats and oils it consumes. Cereal substitutes alone represent 15 million tonnes of cereals or 20% of total EEC annual consumption of cereals. These fats and proteins which are imported totally free of duty have artificially created quite an amount of surpluses. Therefore, we urgently request without ambiguity the introduction of a levy on imported fats, oils and proteins. Above all, we call for the immediate introduction of an overall common policy on proteins, fats and oils. This will be the test of political will.

I would also like to say a brief word in support of my colleague, Mr Vié, in relation to price policy and export refunds. In 1980 Ireland's skimmed milk sales to third countries at 110 thousand tonnes amounted to over 20% of estimated EEC exports. However, 73% of Irish exports went to two customers only. This is obviously a highly vulnerable situation, not only for Ireland, but also for the EEC, and attempts to impose a new bureaucratic mechanism on our customers will give great competitive advantage to other suppliers such as New Zealand, the USA and Canada. Is that what we want?

Therefore, Mr President, my Group reserves its position on this overall issue.

**President.** — I call Mr Skovmand.

**Mr Skovmand.** — (DK) Mr President, in the European Community it is almost an article of faith that the common agricultural policy is one of the best things that have been achieved. After eight years' membership there are many in Denmark and many farmers who find it difficult to endorse that view.

In 1972 and 1973 most Danish farmers believed that they were joining a scheme that would provide reasonable conditions for their production and, since prices rose steeply in the early 1970s, they invested heavily in new buildings and plant. They invested, in fact, far more than they would have done if Denmark had not been a member of the Community. However, things did not work out as they thought. Prices rose less than they had anticipated. Interest rates rose because membership of the Community snake forced Denmark to keep the *krone* at a higher level than we could support. And on top of everything else a co-responsibility levy was introduced for dairy products, which hit Denmark particularly hard. The levy works very unreasonably, since Danish production is in actual fact kept down and there is a ready sale for Danish butter. The surplus butter in the Community stores is mainly from the Federal Republic of Germany. Nonetheless, it is Germany together with France that is expanding its production of dairy products. For these reasons Danish agriculture at present is like a graveyard of shattered illusions. An agricultural economist says that 20 000 farms, one-fifth of the total, face compulsory sale, and that is certainly not the worst that is happening; on the contrary, it is precisely the younger, able and dynamic farmers who are threatened. In the best cases, they are able to cope because they or their family have incomes from sources other than farming.

No, the Community's agricultural arrangements have not brought Denmark's farmers what they expected and they will never do so. Sir Henry Plumb's report holds out no solution to the problem, although it must be said that it highlights fundamental problems that are worth debating.

Of the other committees' remarks, I think those by the Committee on Development and Cooperation are specially worth looking at. It draws attention to what is one of the biggest scandals of the common agricultural policy, that is, that a high levy has been imposed on cereal produced in the West and, instead, more and more products are imported from developing countries. We are taking food from those parts of the world where people are starving and giving it to pigs and poultry and calves in the Member States. It makes little difference that part of these animal products may be given later to the developing countries in the form of food aid, because 80-90% of the calories and proteins have been lost on the way. Tackling this problem is one of the most urgent matters facing us, not least because selling off the surplus cereal imposes a permanent, heavy burden on the Community budget.

**President.** — I call Mr Pasmazoglou.

**Mr Pasmazoglou.** — (EL) Mr President, I wish to emphasize the importance of Sir Henry Plumb's report. It includes all the general lines of the CAP and underlines its positive elements. I remark at once on the significance attributed to the fact that the CAP has

### Pesmazoglou

been a factor of cohesion in the European Community and also a factor in the development of Community policy in other sectors. I should also like to stress the importance of the CAP in activating the European economy and combating unemployment. The CAP therefore constitutes a basic element in the entire activity of the Community, and we should never forget this.

At the same time I should like to make the observation that there are some weak points in the Plumb report. In particular, the proposals it makes are quite inadequate; they are too general and not detailed enough to restore a balance in the CAP in favour of the Mediterranean countries, where the role of the agricultural sector is important and where support from the EAGGF is significantly lower than the justifiable level. I mention specifically that for meat and milk the expenditure on support of producers' incomes exceeds 5 500 million units of account, while for horticultural products only it does not amount to 750 million units of account, and at the same time it does not exceed 450 million units of account for wine. There is therefore a serious question here, and the report does not propose concrete and detailed solutions to the problem of agricultural support in Mediterranean countries. This is a subject which concerns all the Mediterranean countries without a single exception. I wish to make three points which, in our opinion, are particularly important for the whole subject of restructuring the CAP.

The first point is that of surpluses, and I refer to remarks made by other colleagues to the effect that one should characterize a product as being in surplus only when the surplus is structural, that is to say, only when such surpluses appear persistently. Mr Edgar Faure made the point that the fact that a surplus is unsaleable is not enough to make a product surplus by nature — the surplus must be unusable as well, and this does not emerge from the Plumb report. I also think that the proposals to introduce quotas and those to introduce co-responsibility as well are very dangerous. They may create an inflexible scheme of programming, which will lead to impasses and will in any case restrict the development of the agricultural sector, which is especially important to the Community as a whole.

My second point is that I categorically oppose the observations formulated by the Commission's DG for External Relations in their opposition to limits and controls on imports of olives and olive oil and of animal feed. These products are imported into the Community and there are big trade deficits in these items, so that the continuation of the status quo is an anomaly. Nor is it a question of imports from the developing countries only; they come from developed countries as well, and so there is an anomaly here also.

My third and final point is that the whole subject of the CAP is bound up with development policy — and

this was emphasized by many of our colleagues — and with consumer policy. I should like to observe that consumption of fruit and vegetables in the European Community is below the average level of developed countries. There is therefore a margin which is generally significant for raising consumption of these products, and this particularly concerns the Mediterranean countries. I should like to end on this point, because it is a subject which concerns Greece and all the other southern countries of the EEC

**President.** — I call Mrs Gredal.

**Mrs Gredal.** — (DA) Mr President, I am particularly anxious to make it clear that the Danish Social Democrats in the Socialist Group do not agree with Barbara Castle's amendment. The reason is mainly that this motion for a resolution can put the fundamental principles — common prices, co-responsibility and Community preference — in jeopardy. We feel that by and large these principles have worked extremely well. So it is not they that are to blame for our large surplus production. I would add, furthermore, that we have nothing against the regional part of the structural policy being strengthened, but a number of proposals have already been adopted by the Council with regard to that and it must also be said that the common agricultural policy cannot by itself correct the regional imbalances.

With regard to Sir Henry Plumb's report, we think it a sensible report. For example, it is faithful to the basic principles of the policy. Secondly, there are a few things I could mention that we Danes absolutely agree with; I am referring to the opposition expressed in the report to national aids. We are also very pleased that it stresses or comments on the need for quality. Therefore, in principle we from the Danish Social Democrats can support this report on certain conditions. The first of these is that it is made clear, in regard to paragraph 13 of the resolution, that this corresponds to the new fourth principle concerning producers' general joint responsibility for the financing of any surpluses produced, which is the principle put forward by the Commission during the price negotiations.

A second proviso is that the amendments we have tabled are taken into account. In this connection I must complain most strongly that the new Rules of Procedure are being interpreted in a totally unreasonable way, that is, in such a way that it is not possible to move an amendment to delete a paragraph in a resolution. Therefore, I should like to ask the President to have Rule 54(1) of the Rules of Procedure reinterpreted by the Committee on the Rules of Procedure and Petitions. It cannot be right that it should be impossible to delete a bad paragraph in an otherwise good resolution. In this case we would have proposed deleting paragraph 31(v) concerning the setting-up of an exports sales agency, because we think it unneces-

**Gredal**

ary and because the Commission already has that power. We also wanted to have paragraphs 51 and 52 deleted, since we cannot support the view that the distribution of powers between the institutions should be changed. Therefore, I ask the President, in connection with what I have said, to take up the question of amending the Rules of Procedure.

**President.** — I call Mr Barbagli.

**Mr Barbagli.** — *(IT)* Mr President, ladies and gentlemen, I have listened attentively to the remarks of many speaker, for I believe that our task in this debate should be to reflect our respective convictions in our common decisions, so that we may demonstrate to the Council and the Commission that this Parliament does, in fact, possess a definite political will.

Taking such considerations into account, I have been able to form a favourable opinion on the report presented by Sir Henry Plumb. I cannot, however, agree with Mrs Barbarella when she asserts that this expression of Parliament's political will was wilfully delayed in order to place our institution at a disadvantage *vis-à-vis* the Commission.

There have certainly been attempts to block the reform of the CAP, in particular by means of the document concerning the fixing of agricultural prices for 1981-82 and related measures. This attempt by the Commission was frustrated, however, precisely by the efforts of the Committee on Agriculture, which insisted that reference should be made to previous decisions made by this Parliament. For this reason I am encouraged by the fact that the decisions concerning certain essential points — particularly those set out in the Barbarella resolution on agricultural structures and the Ligios resolution on the fixing of prices for 1981-82 were not repeated.

I will speak, therefore, not only of the three fundamental principles of the CAP — uniformity in prices and markets, Community preference and financial solidarity — but also of the fundamental principles stemming from Article 39 of the Treaty, with which they are connected. Article 39, in my opinion, essentially embodies the desire to create fair living conditions and decent incomes for the agricultural populations concerned and to ensure for the Community's consumers a self-sufficiency in the supply of food products.

I believe that these principles should be examined in the context of the employment situation in the Community at the present time. I agree with Sir Henry Plumb when he affirms that agricultural policy should aim at preventing the depopulation of rural areas at this very moment when there are more than 8½ million unemployed in Europe, and consequently I also agree with the points made in paragraphs 2, 3 and

4 of his resolution. But I believe we must be consistent. If it is true that we must implement structural policies capable of dealing with development problems, especially in depressed areas, it is also true that we must pursue an adequate policy of economic organization and a policy of organized agricultural production, so that agricultural populations may recover that part of their profits which derives from activities not directly connected with the productive stag, that is, the extra income accruing from the processing and marketing of agricultural products.

Concerning this aspect, we declare ourselves satisfied, however, with the reference made in the Barbarella resolution to the need to earmark additional funds for the policy on structures, and therefore for the Guidance Section of the EAGGF, and to take them, if necessary, from the Guarantee Section. Only in this way can these important objectives be attained.

Co-responsibility is another issue. We are convinced that agricultural producers should participate in production planning. We also feel, however, that indiscriminate judgments cannot be made concerning the generality of agricultural producers. Such judgments should take into account the type of region in which the producers operate and the type of undertaking to be found in the EEC, and for this reason we reassert that co-responsibility should not constitute a generalized principle of the CAP but should rather be gradual and socially selective. I will therefore venture to recommend to Sir Henry Plumb that he accept the amendment tabled on behalf of the Group of the European People's Party, with Mr Bocklet as principal signatory, for it has an important bearing on the guidance which Parliament must provide for the Commission and the Council on this issue.

In conclusion, I would like to add that I appreciated the speech made by Commissioner Andriessen. I disagreed only when he referred to the need to review the CAP while taking into account the demands of the budget.

Mr Commissioner, I feel that we should rather seek to tailor the budget to the Community policies we wish to develop and that we should therefore strive for initiatives which would allow us — without dividing the two aspects i.e. reform of the CAP and the mandate of 30 May, which we will discuss tomorrow — to consider the problems involved in increasing the Community's own resources. In fact, there can be no development of the Community and of the integration of European policy if the problem of the Community's own resources is not solved. Community fields of responsibility must at the same time be broadened and financial resources transferred from the Member States to the Community.

It is along these lines, Mr Commissioner and Sir Henry, that we must solve the problems of the CAP.

*(Applause)*

**President.** — I call Mr Kirk.

**Mr Kirk.** — *(DA)* Mr President, in Denmark we have a verse which says 'To appeal to reason is man's biggest and emptiest gesture'. One might be forgiven for thinking, listening to this debate, that some splendidly empty gestures are being made here today.

I should like to use this opportunity to try to persuade some of the honourable Members who are opposed to the common agricultural policy virtually on principle that the policy has, in fact, attained the objectives it was meant to attain. We in the Community have a food production policy which has allowed farmers to make their production efficient and which has allowed consumers to obtain a stable supply of food at stable prices. I think that these were the main objectives of the common agricultural policy and I am glad it has been possible to maintain and fulfil them.

However, let me observe that those who have attacked the CAP and its underlying principles, i. e. common prices, Community preference and financial solidarity, are barking up the wrong tree. These three principles must be regarded as inviolable, if we are to have such a thing as a common policy. I am glad that Sir Henry's report also emphasizes so strongly that in future, too, it is these three principles that will form the basis of the policy.

But despite the fact that we have common prices, it is a fact that these have not succeeded in maintaining farmers' incomes at a reasonable and satisfactory level. It is a fact that many farmers in our Member States are in financial difficulty and find it hard to earn enough. This is something we on the Community side must see improved in the next price negotiations.

On the question of financial solidarity, I think it deplorable that we often hear Member States attacking this idea. I think it quite wrong for Member States to say that consumers should not have to contribute their share to the common agricultural policy, the food production policy which guarantees them their supplies of food. But it must also be made clear today that a necessary precondition for the common market is that there should be a genuinely common form of financing, genuine financial solidarity. It must be made clear that these principles are inviolable, and I am convinced — the Member States need to be told this, and so do any Members here who may want the common agricultural policy financed from national resources — that it will not get any cheaper for the consumers and it will not get any cheaper either for the taxpayers.

Nevertheless, we in the European Parliament have a responsibility to try to ensure that the resources used are used in the most sensible way, and I think Sir Henry's report is a valuable step towards achieving that end.

The report makes the point — and I have supported this in committee — that one of the most important priorities for the future is to strengthen the Community's policy on food exports. This is right from the point of view of employment in the Community, and it is right if we consider our responsibility as Europeans for the world's starving people. It was therefore with great regret that I heard the honourable Member, Mrs Castle, this morning attacking the type of export refunds paid by the Community and even calling them insane. I thought she was speaking for the Socialist Group, but fortunately I have just heard Mrs Gredal from the Danish Socialists in that group dissociating herself from this view. I do not believe that the kind of export refunds paid by the Community can by any manner of means be described as insane. On the contrary, if we want to have a far-sighted agricultural policy, we should try to improve these export facilities, we should try to improve our chances of exerting greater political influence in the world through our food policy.

I wish to say before I end that I am against any idea of supporting farmers' incomes by direct aids. I think that would be a dangerous course to embark on, and we in this House must do everything we can to resist it.

In conclusion, may I say something to Mr Skovmand of the Danish People's Movement, who after all sits on the Committee on Agriculture and who has just attacked the common agricultural policy, saying that it does not pay Danish farmers well enough. Obviously there are many Danish farmers who do not earn enough from the agricultural policy; but this is less the fault of the policy than a consequence of the economic situation in Denmark. It is also a fact that even though Mr Skovmand is a member of the Committee on Agriculture and has had every opportunity to try to correct the faults he finds in the common agricultural policy, he has never done so. We have not seen a single concrete proposal put forward to try to mitigate the effects that he thinks the common agricultural policy has had on Denmark's farmers. I consider it irresponsible to get up and criticize, without attempting to do anything about the problems concerned.

*(Applause)*

**President.** — I call Mr Kappos.

**Mr Kappos.** — *(GR)* There is no doubt, Mr President, that the agricultural economy of the Community faces serious problems with painful consequences for small and medium-sized farmers, especially those of the Mediterranean countries, including Greece. We believe, however, that the measures the report proposes, in spite of any sound comments and even suggestions it makes, are not an answer to the problems the agricultural economy faces. On the contrary, they will compound these problems; they will put new burdens on the backs of working farmers.



**Kappos**

Mr President, the main orientation of the report is the same as that of other organs of the Community, that is to say, it points towards a further entrenchment of the CAP. This emerges from the provisions to control and limit national subsidies, the quanta in production, the co-responsibility levy on the restructuring of crops and the further unification of monetary, fiscal, and economic policy in general. Mr President, we have to remark that this orientation towards a further unification of the CAP is to a great extent unrealistic, both because of deeper contradictions and conflicting interests and mainly because of the present crisis of the capitalist economy. It is not possible, at a time of high inflation, at a time of big differences in the rate of inflation as between different countries, to speak of uniform prices and the abolition of national subsidies. We cannot talk, at a time of severe unemployment, about restructuring crops and about quanta in production that will mean more unemployed and an increase in the extent of unemployment.

Secondly, Mr President, the orientation of the report and the measures it proposes certainly affect the interests and the incomes of working farmers. This is the meaning of common prices, the curtailment of national subsidies, the imposition of the co-responsibility levy and a series of other measures. Finally, the measures proposed set further limits in any case to the sovereign rights of member countries to regulate questions peculiar to each of them in the sphere of agriculture. Greek Communists are opposed to this orientation of the report, which entails an entrenchment of the CAP, the imposition of new burdens and limitation of the sovereign rights of each country. We maintain that the main need today is to guarantee prices to farmers on the basis of cost, so as to guarantee satisfactory incomes for working farmers. We regard national support systems as essential. It is not right that farmers should pay enormous sums in taxes that are absorbed largely in military outlays, while we talk about limiting any supports whatsoever that States give to farmers.

We also regard as unacceptable any measure whatsoever designed to withdraw agricultural produce for destruction, the so-called 'burial of farm produce'. At a time when the peoples of the world have enormous need of agricultural products, as many millions are starving, it is unacceptable that farmers in the EEC should bury their produce. We go further, in that we support the expansion of markets and the discovery of new markets. But it must be clear to all of us that the expansion of markets, the discovery of new markets, cannot occur when the EEC is aligned with the United States in its cold-war plans, when it follows the United States in its trade embargoes, when agreements such as COCOM exist and are applied to restrict the exchange of various products.

There is no question that international economic relations need to be put on a democratic basis. They need to be normalized. Relations need to be developed on a

basis of equality and mutual advantage, respect for the national sovereignty of each country, the promotion of peace and *détente* an collaboration between peoples. The Greek Communists will vote against the report to show their alignment with the struggle of Greek farmers who are fighting against the negative, painful consequences of the accession of Greece to the EEC, fighting for the freeing of the country from the EEC.

**President.** — I call Mr Nielsen.

**Mr Brøndlund Nielsen.** — (DA) Mr President, a lot has been said about Members speaking beyond the time allotted to them, so I shall really try to be brief, but this means of course that some important questions have to be left out. Therefore, I shall first of all just briefly thank Sir Henry for the work he has done to produce this report. I think that on the whole this is a very good report, which highlights a number of matters and aims to build further on the common agricultural policy and the excellent results it has achieved.

Having said this, I should like to take up a single point and elaborate a bit on it, that is, the question of national aid measures. It is obviously quite unreasonable, when you want to attack the common agricultural policy, to say that the reason for the rise in Community expenditure, especially on expanding milk production, is the CAP. That is utterly unreasonable.

If it were true that this expansion is due to the conditions created under the common agricultural policy, the increase in milk production would be more or less the same in all the Member States, but that is far from being the case. In 1980 there was an increase of almost 5% in France and almost 4% in Germany, but a drop of almost 3% in Ireland and almost 2% in Denmark. So there were considerable differences, and it cannot be the common policy that is the cause. The cause must be looked for in those factors which differ from country to country, namely the national situations and national support measures. We also find that out of the total expenditure on agriculture in the Community 60% is spent on national measures. So it is here that action should be taken if you think things are going wrong. It is a question of developing the common agricultural policy further. It is not the policy that is to blame for the problems some people claim to see, though I must say that I personally do not see as many problems as they do because I think that there is an enormous demand for food throughout the world. This has been said earlier today.

There is one further point that I would urge the Commission to pay attention to. Please use more imagination! Just consider how much eating habits have changed over the last ten years and the last twenty years! They have changed enormously with new forms of bread, more meat, etc. For many people

**Nielsen**

meals are something that are changing. It is simply not true to say that eating habits cannot be altered. So be a bit more aggressive! Try to do something to ensure that the best food we have, milk, which can be produced from the simplest raw materials and on a massive scale, plays a greater role in eating patterns throughout the world. That, at any rate, would be an advantage. It would mean people were better nourished. This would open up great opportunities for producers — the potential is very great and at the same time it would be an economic advantage to the Community. Get started on a more active export policy which takes account of the fact that there is every justification for expanding the consumption of this good food! I just wanted to make this suggestion. Of course, there are many, many other points one would want to take up, but time does not allow. So I confine myself to these points and do so with a clear conscience, since I think that on many questions Sir Henry's report says the right things.

**President.** — I call Mr Zighdis.

**Mr Zighdis.** — (GR) Mr President, the report by Sir Henry Plumb is certainly very remarkable, as is the motion for a resolution which it leads up to. It is based, of course, in its general lines on the Commission's well researched communication, 'Reflections on the common agricultural policy'.

Allow me, however, to express many doubts about how far the motion which we are asked to accept will allow the unimpeded application of the CAP in future, the integrated common policy which has been implemented ever since the EEC came into existence.

My doubts are of a three-fold nature. First: at its present stage of development, it is impossible for the Community to have an integrated common policy only for agriculture. It is essential to adopt a common policy in other sectors as well, such as the economic, monetary, social, industrial, and so forth.

Secondly: it is impossible for the EEC to exist in future unless it has a budget which will absorb much larger percentage amounts from the national incomes of the Member States than it does now, so that the common policies I have just mentioned can be applied.

Thirdly: it is impossible for the CAP to achieve its objectives in future without an increase in the resources earmarked for it. Otherwise, there is no cure for the distortions in production which the CAP itself has led to, and the widening of the income gap between rich and poor regions and between large and small producers. There will also be no chance of averting recourse to 'national measures' of protection on the part of Member States — which undermine the CAP.

The proposals for resolution, however, are based on the assumption that the financial resources of the CAP will remain roughly at their present levels. On this assumption, some truly ingenious changes in the CAP are indicated. It is doubtful, however, whether they will achieve the objectives they pursue. They are not all equally important; some are contradictory. And taken as a whole they do not mark out a clear line of orientation.

The generalization, for example, of the co-responsibility levy makes sense when there is structural overproduction in the Community and not technical — owing to privileged imports from third countries (GATT and other similar agreements). The freezing of output levels, moreover, may turn out to be detrimental to technological progress. The price system in force originated in the needs of agriculture when the EEC was founded. Its continuation, however, right up to the present time is unacceptable, because the protection it guarantees comes down decidedly in favour of products of the northern part of the Community and against those of the south (dairy products, for example, absorb 47% of the resources of the EAGGF, whereas they represent 20% of the value of total agricultural production; cereals absorb 16%, sugar 10%, whereas fruit and vegetables absorb only 4.6%, wine 0.6%, and so on).

The markets for products are unevenly organized from the point of view of effectiveness. Products of northern Europe can be disposed of with much larger protective margins than those of the south (cereals and dairy products on the one hand, fruit and vegetables on the other).

The present system of protection confers advantages on big producers at the expense of small ones. For this reason, incentives are needed to get the millions of small producers suitably organized. For this purpose it is imperative to adopt a special policy in favour of cooperatives.

The proposals for the adoption of a systematic export policy are right, both in the medium and in the long term, but this also needs resources of its own.

If we wish to succeed in the proposed restructuring of crops, the relevant section of the EAGGF must be strengthened significantly. Of course, the matter of the problem regions implies the cooperation of all the Community Funds (EAGGF, the European Regional Development Fund, the European Social Fund, the EIB, etc.). The establishment of a special fund, however, for the problem regions of the Mediterranean seems essential; it will undertake the task of solving this enormous problem, especially in view of the enlargement of the Community (Spain, Portugal).

The lack of a common economic and monetary policy maximizes the problems of the CAP in countries with high inflation. The result is that these countries resort

**Zighdis**

to national measures in support of prices and incomes in order to avoid exasperating their producers, who see their incomes watered down.

In conclusion, Mr President, we have arrived at a critical juncture. The CAP questions are not merely technical. They are, fundamentally, matters of political will. The economic unification of the Community cannot be restricted organically to the CAP only, together with a few other sectors. Either it will embrace every sector, or it will fail. But failure is a 'luxury' that none of us can allow.

**President.** — I call Mr De Keersmaecker.

**Mr de Keersmaecker.** — (NL) Mr President, ladies and gentlemen, I should like to begin by expressing my satisfaction at the fact that the debate on the reform of the agricultural policy is taking place separately from the debate on the budget and the price decisions. This will enable us to put forward proposals for changes to the common agricultural policy in a less prejudiced way. Mr Tolman has already said that our group largely endorses the report. I agree with him on this. I shall do no more than take up a few points very briefly.

First and foremost I agree with the proposal made in paragraph 13 regarding the quantum system and the associated co-responsibility scheme. But the wording of paragraph 13 is not particularly clear, and I was very pleased with the comments made by Sir Henry Plumb, whom I too congratulate on the tremendous work he has done. The definition he has given of the quantum has our approval and in every way ties in with the amendment my Group has tabled on the subject. We also find his statement on how this system would be applied reassuring, since he said that it is more suitable than the basic co-responsibility system now applied in the dairy sector. This indicates that the levy imposed under the co-responsibility system should only apply to production in excess of the quantum. That is what it is about, because the text states that co-responsibility comes into effect when the quantum is exceeded. I feel it is essential that there should at last be a system which discourages excessive production. The prices up to the quantum, which must be set at a judicious level, must also continue to be geared to providing the producers with a reasonable income.

I am still somewhat concerned about the wording of paragraph 17, which says that a hierarchy of prices, with a distinction made between products in surplus and products not in surplus, must be the chief instrument of production control. But we cannot have our cake and eat it. Either we penalize those who over-produce — and they must be penalized if we want to achieve our objective — but then the price must continue to be free to move within the quantum range

to provide a reasonable income, or we do not penalize them. The lack of clarity that persists in paragraphs 13 and 17 must be removed. To this end, an amendment has been tabled to paragraph 13 by my Group, and I have tabled one to paragraph 17.

A second point to which I must draw your attention concerns paragraph 33, which indicates how greater respect for the Community preference must be achieved. Notice the very moderate tone used in this paragraph, which refers to the need for the formulation of a global strategy, a moderate tone that will be strengthened if Mr Tolman's amendment is adopted.

I also agree with what the draftsman of the Committee on External Economic Relations had to say on this point. I fully endorse his train of thought, but Amendment No 67 tabled by his committee goes too far in my opinion. It would deprive the Commission and the Council of one of the elementary instruments required for the pursuit of this policy. We cannot have that. I am therefore opposed to Amendment No 67 tabled by the Committee on External Economic Relations.

I am also pleased with the emphasis placed on the encouragement of alternative crops. I suggest in my text a way in which the cultivation of peas and beans, for example, might be encouraged with a great deal more in the way of enthusiasm and resources, to the benefit of the balance of trade and also energy consumption.

Finally, I would draw attention — as I did in the Committee on Agriculture — to paragraph 52, which calls on the Commission and Council to recognize Parliament as a co-manager of the common agricultural policy. I should like to ask Sir Henry Plumb what this means. If it means what it says, it is an institutional mistake. The European Parliament is involved in the making of policy within the framework of the common agricultural policy and has a duty to observe and monitor this common agricultural policy, but not to be involved in the running of it. I consider this to be institutional nonsense, and I hope I will be given a satisfactory answer to this question. I am convinced that, if satisfactory answers are received to a number of questions and unclear points, either from the rapporteur or perhaps from the Commissioner, the Plumb report will form a very sound basis for the adjustments that need to be made to the agricultural policy.

**President.** — We shall now suspend our proceedings until 3 p.m.

The House will rise.

*(The sitting was adjourned at 1.05 p.m. and resumed at 3.10 p.m.)*

IN THE CHAIR: MR VANDEWIELE

*Vice-President*

2. *Request for the immunity of a Member to be waived*

**President.** — I have received a request from the Ministry of Justice of the Italian Republic for the parliamentary immunity of Mrs Castellina to be waived.

Pursuant to Rule 5 of the Rules of Procedure this request is referred to the appropriate committee.

I call Mrs Castellina.

**Mrs Castellina.** — *(IT)* Mr President, I wish to request that I should not be granted parliamentary immunity. The crime of which I am accused derives from an onerous judicial legacy of the Fascist State which has not yet been set aside, despite the threat it poses to freedom of expression. Many Italian journalists are affected by this law, which hinders them in the free expression of their ideas.

If I now request that immunity should not be granted to me, it is precisely because I want this trial to contribute to the fight for the repeal of this Fascist law in our country.

*(Applause from certain quarters on the left)*

**President.** — Your statement will be noted.

I call Mr Adam to speak on a procedural motion.

**Mr Adam.** — Mr President, Rule 66(5) grants the Members of the Commission and Council permission to speak at their own request. I would like to know why the President of the Commission has not been here to claim a right to speak in this very important debate today. It is a matter at least of severe disappointment if not discourtesy to the Parliament on this very important occasion.

**President.** — Mr Adam has, of course, the right to put this question, but the fact is that there is a permanent presence of the Commission here in this Chamber. Mr Andriessen is the Commissioner present right now. The Commission may, if it thinks it necessary, reply to this question and to any further questions that may be put.

Do you wish to press the point, Mr Adam?

**Mr Adam.** — I simply make the point, Mr President, without any disrespect to any other Member of the Commission or anybody representing the Commission President, that this is a very important debate. We understand that the President of the Commission has taken over the agricultural portfolio after the unfortunate illness of Commissioner Dalsager, and I would have thought that he would have been in his place this morning. I held back, but he is not even here this afternoon. I am very disappointed. I hope it is not a question of discourtesy to the House.

*(Applause from various quarters)*

**President.** — I call Mr Andriessen.

**Mr Andriessen, Member of the Commission.**

— *(NL)* Mr President, I had the satisfaction yesterday evening of speaking on behalf of the Commission during Question Time and the debate on action taken on Parliament's opinions and proposals, and it was emphasized by Parliament at that time that the Commission is a collegiate body, a view with which I agree. Mr President, I am today representing the Commission here as a collegiate body, and I ask you to note that the President of the Commission asked me personally if I would speak on his behalf during today's debate. I feel that the Commission itself should be left to decide who is going to represent it during any debate in Parliament.

**President.** — I call Mr Pannella.

**Mr Pannella.** — *(FR)* Mr President, I had intended to raise the same question, but I entirely agree. Legally the Commission is a collegiate body, and I am satisfied with the reply.

Having said that, the Commission must have something to say to us, whether its President is here or not.

Mr Commissioner, 10 June was the date set by Parliament for suspending economic and political cooperation with Turkey. I hope that you yourself will take action in this matter, since you represent this collegiate body. The problem is a very serious one, and we should not like the will of Parliament to be flouted, not on a question of form but on this question of principle: what then have you done, since 10 June, about Turkey?

**President.** — Mr Pannella, Mr Andriessen had to reply yesterday, on behalf of the Commission, to some very difficult questions. I think that you were not here yesterday when this question could have been put.

I call Mr Andriessen.

**Mr Andriessen, Member of the Commission.** — (NL) Mr President, it is quite obvious that this matter is not being discussed at the moment. I am not in a position to go into this question now.

**President.** — I call Mr Aigner.

**Mr Aigner.** — (DE) Mr President, I should just like to make a brief comment on this point. Mr Andriessen is, I feel, right. If we refer to the Commission as a collective body, we must also leave it to the Commission to decide who will represent it. But there are reports, Mr Commissioner, for which Parliament can not only request, but has the right to demand that the Commission be represented by its President. But Parliament must then make its demand known in good time beforehand, because the Commission also has difficulties with timetables and meeting deadlines.

I should therefore like to say straight away that every year we have a major debate in which Parliament and the Commission come face to face as institutions. This is the debate on the granting of a discharge, the only legislative act Parliament performs. I therefore request that, if it is at all possible, the President represent the Commission personally in this debate on Thursday.

**President.** — I call Mr Enright.

**Mr Enright.** — First of all, let me say that I think that Mr Andriessen is a splendid Member of the Commission and I congratulate him wholeheartedly.

(Applause)

But secondly, if he is talking about collegiality, will he assure us that in future the Commissioners as individuals will recognize that collegiality by not telephoning their Prime Minister in order to ensure that they keep their portfolios?

(Laughter)

**President.** — Very well then, that is enough on this subject. Mr Pannella, I must ask you not to press the point.

(Applause)

### 3. Common agricultural policy (continuation)

**President.** — We shall resume our debate on the Plumb report.

I call Mr Sutra.

**Mr Sutra.** — (FR) Mr President, where the common agricultural policy is concerned, there has never been a very clear majority in this House in favour either of rejecting the budget of the CAP or of adopting it as it stands. Every time proposals are made to severely cut back the EAGGF budget they are rejected. Similarly, any proposal that we should produce more and worry less about surpluses — if we have surpluses it is a proof of success — also tends to have limited support. The only kind of proposals that this House will listen to, therefore, are realistic and moderate proposals that appeal to common sense.

The report by the chairman of our committee has in its favour, as we see it, the fact that it tries to take a middle course on the CAP. What possible policies are there? There is the one we have in the dairy sector. I can define it in a word: guaranteed prices with no production ceilings. Clearly this is a budgetary disaster. Another possible policy is the one most often associated with Mediterranean production: obeying the law of the market, with no organization, to the benefit of agriculture. Clearly this is also a disaster, but this time on a social level. We have therefore to look elsewhere, and it is this third course that the Plumb report steers.

To be sure, this report differs from our original proposals of which Edgard Pisani, now a member of the Commission, was the principal signatory and which I too supported. What did we propose? We proposed *quanta*. Sir Henry Plumb has adopted the term 'quantum', but I suspect he had in mind what in France, and I venture to say in Europe, are called *quotas*. For example, in the case of beet, we have always talked of *quotas* by country. He, on the other hand, is proposing a *quota* which would cover European production as a whole. I think that the basic difference is that in our view the *quantum* should be applied to each agricultural holding, the overall effect of the *quota* being to freeze production in the Member States at the present level without allowing for any adjustment. As we know, it has never been possible to go back on existing *quotas*: no one will accept any changes in them, especially downwards. So, what about this *quantum*? We have often been told that it was a very good idea, but Utopian and impracticable to seek to ensure a fair price and a guaranteed income for the sort of quantities that a family farm can produce. I am bound to say that this system is not at all difficult to apply insofar as there are surpluses and provided that it can be applied through taxation, that is to say by means of a highly differentiated co-responsibility levy. This is already being applied in Europe in certain sectors; it is being applied in the dairy sector in mountain regions and it was extended last year, at our request, to less-favoured areas. We proposed — I refer to the amendment which Edith Cresson, who is now Minister for Agriculture, and I myself signed last year — an exemption in respect of the first 60 000 kilos of milk — exactly as for mountain regions — no increase up to 150 or 200 000 kilos of milk, which would enable farms to

## Sutra

expand and modernize, and finally, a progressively increasing levy designed to penalize industrial farming, the notorious 'milk factories'.

I should like to point out — and here the Plumb report again followed the right direction — that if we were to tax imports of vegetable fats like soya, we should come to a head-on collision with the Americans over the GATT. On the other hand, if we were to penalize, by means of a co-responsibility levy that rises sharply at the top end of the scale, these milk factories where you never see a single blade of grass and which are run entirely on imported soya, now that would not run foul of the GATT in the same way as a tax on entry would. We are talking here about a differential co-responsibility. Now, every county's taxation is its own concern. That would prevent anyone from setting the GATT on us.

It is interesting to note, incidentally, that two years ago — these figures are for 1979; I do not have them for last year, but I understand they show a 30% increase — Europe spent 8 000 million dollars on buying American and Brazilian soya bean oil cake and on manioc from Thailand to create its dairy surpluses. In other words we are paying for these dairy surpluses three times over: first in dollars, then a second time through market support measures, and a third time in disposing of the surpluses. Well, in our view, the way forward is not to be found either in abandoning the present price policy or in keeping it as it is, but in transforming it by means of a very strongly differentiated co-responsibility. We would hope — and this is one of the important features of the Pisani report — that the Community will be able to develop a vigorous export policy for agricultural products.

It is worth remembering that, in the name of that liberalism which prohibits us from signing long-term contracts, Europe three years ago lost a contract with Egypt, a long-term contract that was eventually signed by the United States of America. If Europe gives up a contract in the name of liberalism and if that same long-term contract is taken up by the United States of America, this proves there is something very wrong with our export policy. What is lacking, although the report does represent a step forward, is a sound basis for a serious discussion on the common agricultural policy. The analysis contained in the report, rejecting as it does both *laissez-faire* and the policy which led to those disastrous surpluses, offers some very valid conclusions and a set of equally valid concrete proposals. Granted, we do not see eye to eye on national quotas or European quotas or indeed on the idea of a quantum by farm, but that can be worked out through discussion.

Let me say in conclusion that what this report fails to do is to take into consideration those areas of European agricultural production in which the markets are not as well-organized as in other sectors. I have in mind Mediterranean agriculture, in particular fruit

and vegetables, since, as you know, these areas of production have only a rudimentary market organization without any price guarantees. The same applies to the wine-growing sector. Only our proposals — and I wish to thank Sir Henry Plumb for following this line to some extent, even though we shall need to talk about it some more — which call for a quantum in the shape of a strongly differentiated co-responsibility, will enable us to extend the guarantees which already apply in the case of certain products to geographic regions and products that are so far excluded, and at the same time keep budgetary overspending in check. Where Mediterranean agriculture is concerned, this is the only way to envisage the enlargement of the EEC towards the south.

At this very moment we have before us a proposal for enlargement. Now, although there has recently been a significant change for the better, particularly since our election by universal suffrage two years ago, right up to 1979 wine accounted for 1.5% of the EAGGF budget and fruit and vegetables for 0.8%, averaged over the first nine years. Since the introduction of performance guarantees on storage contracts, wine attracts 3.5% of the budget although it represents 7% of the value of European production. It therefore receives only half of that to which it is entitled. And likewise with fruit and vegetables which, if you include processed products, have averaged 3.5%. This gives us a figure of 7%, with a small percentage for olive oil and a microscopic amount for lamb. . . In fact, altogether Mediterranean agriculture accounts for less than 10% of the EAGGF budget. Consequently, when they say to us 'Let Spain enter, because that will help to rectify the balance in Europe in favour of the south', I say 'Let us begin by rectifying the balance in the Community budget in favour of the south, and we shall see from that just how willing our northern European partners are to really come to grips with the problem'.

That is all I have to say now, Mr President. I shall be giving an explanation of vote on behalf of the French Socialists a little later, when other speakers will also be able to have a say. I feel bound to say at this point that, whatever amendments may be adopted when the time comes for us to pass judgment on them, the report by Sir Henry Plumb will surely not deserve a negative vote from us. As I have said, it is a step in the right direction and represents a useful discussion document. On the other hand, in relation to our own proposals on the quantum, it clearly leaves something to be desired.

Subject to whatever amendments may be adopted, we are more inclined therefore to abstain. Finally, I wish to make it absolutely clear that the amendment tabled this morning in our Group's name by Mrs Barbara Castle is not supported by the French Socialists nor by Socialists of other member countries who have asked me to state this quite clearly on their behalf. I am thinking of the Belgians, Italians and several others,

**Sutra**

the Dutch in particular. We shall be giving an unequivocal 'no' to Mrs Castle's proposal, when it is put to the vote.

Mr President, I should like to end by saying that I am pleased to note that the proposals for which the French Socialists have been campaigning in this House these last two years have been heard and that the Plumb report is a step in the right direction. It is a good basis for further discussion and a good basis for the survival of the CAP, which will enable Europe to continue to assert herself.

#### 4. *Membership of Parliament*

**President.** — I wish to announce that Mrs Cresson, Mr Delors and Mrs Roudy have been appointed members of the French Government.

In accordance with Article 12 of the Act concerning the election of the representatives of the Assembly by direct universal suffrage, Parliament takes note of these vacancies.

I congratulate these colleagues on their appointments.

I call Mr Israel.

**Mr Israel.** — (*FR*) Mr President, in the middle of the debate on the agricultural question you make an announcement about honourable Members who have been appointed ministers in the French Government.

I wish to ask you if you have received a formal letter of resignation from these Members, since under our Rules of Procedure a Member's term of office in the European Parliament ends either on death or on resignation. Such being the case, I should not wish these Members to be placed in an irreversible situation by a procedural technicality.

**President.** — Mr Israel, this question was raised already yesterday. I then read the provisions of the Rules of Procedure on this matter and spoke of the agreement with regard to replacing Members who become Ministers. Mr Dankert spoke on the same subject again this morning, and the Bureau is currently looking into it. That is why I shall have to ask you not to open a further debate — it would be the third — on this matter. I can only refer you to the official report of yesterday's debates.

**Mr Israel.** — (*FR*) Mr President, I am not opening any debate. I am simply saying that, coming right in the middle of a debate on agriculture, this announcement comes at an inopportune moment. May I remind you that under the Rules of Procedure these Members

have the right to appeal against this kind of procedure. I appeal to Mr Nyborg on this point. If the party concerned has not notified his resignation he has the right to lodge an appeal. However, I shall leave it at that and not pursue the matter.<sup>1</sup>

#### 5. *Common agricultural policy (continuation)*

**President.** — We shall resume our debate.

I call Mr Hord.

**Mr Hord.** — Mr President, many years ago a revered English politician, Edmund Burke, once said that a State without the means of some change is without the means of its conservation. I believe the same is true of any institution and the same is true of the Community. Too often, I feel, some defenders of the CAP have failed to recognize both the need and the obligation to have changes in the CAP if it is to survive and stand the test of time.

I am, in fact, reminded of this by the way in which some Members have called for the deletion of the word 'reform' from the Plumb report and the substitution of the word 'adjustment'. Let me say for the benefit of those Honourable Members that the English word 'reform' means to make better by removing imperfections, faults or errors. It does not mean repeal. I commend to this House not only the word 'reform' for the common agricultural policy but also the Plumb report, which I believe is a valuable treatise on the way changes should be made in Community agricultural policy.

One thing is certain: failure to bring about worthwhile reforms will bring the Community into deep crisis. We must not underestimate the obligation to secure these reforms. As each day passes European taxpayers get more and more disillusioned as to the relevance of EEC policies. Just think, in the first hour of this debate and every hour of the working week over 6.6 million ECU or UKL 4 million will have been spent in the Guarantee Section of the CAP. In the same hour and in every hour of the working week, if the trends of the last 6 years are to continue, another 400 people will have become unemployed. Again, in the same hour only 323 000 ECU or UKL 194 000 will have been available from the Social Fund to spend in an area which directly affected all the millions of people who were unemployed.

What better example, Mr President, do we have of standing priorities on their heads? And if financial trends continue as they did between 1975 and 1979 when agricultural spending was increasing at the rate

<sup>1</sup> See opening remarks of Mr Nyborg's speech below.

**Hord**

of 23% and revenue income by 12½%, not only do we break the 1% VAT ceiling at any time but we shall also break a 2% VAT ceiling by 1990.

But alarming as the situation is, I do believe that the Plumb report shows us the way. Quite clearly the area of the greatest discontent has been in the milk sector, consuming nearly 40% of the agricultural budget or UKL 1.36 million per working hour of the week. The Commission's policies in the milk sector have been nothing but failure on top of failure. Rather like a child trying to protect its sandcastle on the beach from the incoming tide, the Commission has rushed around with short-term, botched-up, half-hearted schemes to deal with the milk surpluses. We have seen exhortation after exhortation from the Commission to stop the milk surpluses. We have seen the milk conversion premium, the calf dried-milk feeding scheme, the pig feeding scheme. We have seen the beef-calf suckler scheme. We have seen co-responsibility levies and more co-responsibility levies leading to more irresponsibility on top of irresponsibility.

*(Laughter)*

We have seen not a reduction of 1979 milk output but an increase of 4½% last year — 1980 — with damaging financial consequences for the Community. Nothing that the Commission has done has stemmed the tide of increased milk production.

Mr President, we must abandon once and for all the basic linear co-responsibility levy — it defeats the very objectives of stopping overproduction.

In addition to the discipline of quanta that have been called for in paragraph 13 of the Plumb report, we should also invoke a super-levy in respect of any overproduction. This is the way to promote a milk policy fair to both consumer and producer.

As I say, in general I support the Plumb report. I believe the quantum proposals can be commended to the Commission, to the Council and to the people of Europe, producers and consumers alike.

There is, Mr President, a 16th century Latin quotation which, in my view, the European Community with its own short history ignores at its peril: *tempora mutantur, et nos mutamur in illis* — times change and we change with them.

**President.** — I call Mr Jürgens.

**Mr Jürgens.** — *(DE)* Mr President, ladies and gentlemen, I will begin with a comment on the criticism regarding the representation of the Commission. We should, I feel, realize that the interest taken by Parliament is not very much greater, to judge by the number of Members in the Chamber for this important debate.

At any rate, the Plumb report seems far better than the numbers present suggest, when it is recalled that it concerns the system of the common agricultural policy and the retention of the three pillars of this agricultural policy and calls for the reform of the instruments it includes.

The one issue is incomes in agriculture, and I feel we should take particular account of the great differences from one farm in Europe to another. Above all, we should bear in mind the effect of the reform on individual communities, the villages in our rural areas, where the village structure is particularly endangered by the departure of so many from agriculture, with the result that the State has to take a great many social measures which at one time were dealt with in the village through neighbourly assistance and community work. I feel we should bear that in mind during our deliberations.

Secondly, the quantum system and the co-responsibility levy will, I believe, help us to limit surpluses that extend beyond the production of the family farm. In addition to this, national subsidies still being paid for investments must be abolished, especially where they result in the production of surpluses.

Thirdly, we must ensure that the opportunities available under the hill-farming programme are extended to areas that suffer extreme natural disadvantages.

Finally, I should like to warn against certain remarks that have been made here about the policy on fats. I feel that a tax under the policy on fats might well prove successful with regard to production in agriculture, but it would also affect many other areas, in which it would simply lead to an increase in the price level.

**President.** — I call Mr Nyborg.

**Mr Nyborg.** — *(DK)* Mr President, permit me to observe, before I begin on my speaking time, that as far as I can see, you have dealt quite correctly with this matter of our French colleagues when you said that, since they are now members of the French Government, their mandates are void; so I do not think there is any need for further discussion on this matter in the plenary sitting.

I shall now pass on to Sir Henry Plumb's report, on which I must congratulate him. As might be expected, there are various points on which I do not completely see eye to eye with him, but the report contains many very positive ideas. If I am to single out a particular point, it is that I am glad that more and more people are gradually recognizing that the national aid measures are completely undermining the common agricultural policy. Even if they are a reflection of the fact that farmers' incomes are too low, we must



**Nyborg**

none the less make sure that we deal with them. Unfortunately, small countries like Ireland and Denmark, which live from their agriculture, cannot compete with the big industrial countries in giving their farmers aids, for where on earth would we find the money for that? I assume the Commission does seriously intend to take up the recommendations included in the report with regard to an analytic survey and a register of the different forms of support given, so that we can do away with this inequitable distortion of competition, and I should be very glad if the Commission would genuinely resolve to create a little transparency to illuminate this jungle of open and, not least, concealed national support measures. Its resolution to do so has up to now been conspicuous by its absence.

Transparency is also desirable with regard to the agricultural budget itself, and Sir Henry proposes in his report that sums which are more or less concealed aids to developing countries should not come under the agricultural budget. I absolutely agree. I would go further and propose that expenditure that can be called regional aid or social aid should be specified in the budget so that one can see what is what. As my colleague, Mr Lalor, said earlier today, once the budget is rendered transparent in this way, it will become clear that actual expenditure on agriculture accounts for scarcely more than half of the Community budget.

Recently a few of the big Member States, especially the United Kingdom, have complained that they do nothing but pay into the Community and that the small rich countries — I do not know if they are thinking of Denmark here — do nothing but profit from the Community. It is extremely regrettable that even prominent politicians, whose loyalty to Europe we have had no reason to doubt up to now, have been putting forward this sort of old-fashioned, nationalist view. If they really want to go in for this kind of egoistic balancing of advantage against disadvantage, they should not forget that the small agricultural countries have, in return, opened their doors to industrial goods from the large countries, and this should presumably also be taken into account.

The common agricultural policy is not merely a policy for farmers. Contrary to what many people would have us believe, the common agricultural policy in recent years has helped considerably to hold down inflation and ensured the provision of food at reasonable prices. It has also protected the Community's consumers from fluctuations in price and fluctuations in supplies which have affected the world market.

Let me say in conclusion that the farmers must be guaranteed a reasonable income so that we can do without national aids. Quotas and co-responsibility rules undermine the common agricultural policy, so I urge all those who are favourably disposed towards what is virtually the most important common policy we have — and which together with the customs

union constitutes the cornerstone of Community policy — to support the amendments tabled by the Group of European Progressive Democrats.

**President.** — I call Mr Papaefstratiou.

**Mr Papaefstratiou.** — (GR) Mr President, after studying the matter closely, I must say that the report of the chairman of the Committee on Agriculture, Sir Henry Plumb, who also presented it, finds us in agreement in principle, because it proposes many improvements for the reshaping of the CAP. Apart from certain points on which we have reservations, the report meets with our approval, because I believe that the appropriate implementation of it will contribute significantly to the proposed reform of the CAP. At all events, I should like to make the following points:

1. The reform of the CAP must be based on a long-term programme with long-term objectives, targets and means of implementation, and not on ephemeral or perverse criteria which in all probability do not match up with the world-wide role of the EEC.
2. The incomes policy regarding those engaged in agriculture must be based on a rational prices policy in order to avoid scaling down the incomes of producers and so that we are not led in the main to aids of a social character. The price mechanism must function properly. This means that in determining prices of agricultural products, serious account must be taken of the cost of production, if we wish to attain a healthy agricultural sector. Of course, this does not exclude the possibility of supplementing the income of certain highly problem farm populations whose incomes are below the Community average for farmers, owing to unfavourable natural conditions.
3. The solution of the problems of the Community budget, and in particular of the CAP, must not in any circumstances be put to the test by pegging producers' prices or returning to systems mainly granting national subsidies.
4. Special emphasis must be given in the structural measures of the CAP to increasing the productivity of farms. In this context an intensive effort must be made in the sector of reafforestation and the development of plots in mountainous areas. At the same time, an accelerated programme must be put into operation to mitigate the unbalanced development of regions within the Community.
5. We cannot agree with any form of co-responsibility whatsoever, whether under the form of quanta or of a global Community quantity, especially for products in which the EEC shows a deficit. Nor can the application of co-responsibility measures be justified in the case of products which answer the needs of developing regions, either in feeding their populace or in

### Papafstratiou

aiding their development efforts. On this point it must not escape our attention that the ghost of hunger stalks through many regions of our planet and smites hundreds of millions of our fellow-men.

6. To deal with surpluses of a structural character, apart from the suitable use of price policies and subsidies, a great effort should be made in the export activity of the Community in agricultural products on a permanent basis, even with the grant of subsidies and suitable incentives. We must not forget that a significant number of the CAP's problems are the result of failure to observe the principle of Community preference faithfully and of bulk imports of agricultural products from third countries.

The application of a generous external policy cannot always be reconciled with the fundamental principle of Community preference. Moreover, this is one of the main reasons why the Community budget seems burdened so heavily — to the extent of about 67% — with expenditure on the agricultural sector. Of course, this is not really the case, as other colleagues have rightly observed, for much of this expenditure originates in sectors of activity which have only a slight connection with the true internal policy of the Community.

7. Reform of the CAP no longer seems possible with a financial contribution from Member States of the order of 1%. This percentage must be raised so that the CAP can be implemented rationally and effectively.

In a spirit of justice and equality, Mediterranean products must get more protection and support, so that we do not observe the phenomenon, which my colleague Mr Sutra emphasized, of the absorption of roughly three-quarters of the budget of the EAGGF by products of the northern regions of the Community only, whose farmers on the one hand have much higher incomes and on the other hand are less numerous than the farmers of the Mediterranean regions.

Without a generous decision to increase the 1% contributed by Member States, it will not be possible for the Community to succeed in its attempt to create a common policy in other sectors besides agriculture and to achieve its desire of enlarging the Community through the accession of the applicant countries of the Iberian peninsula.

In conclusion, I wish to emphasize that it is not the budget which should be defining our policy. On the contrary, a just and ordered policy should be determining the size of our budget, under the present historical order and the historic responsibility of the Member States of the European Community.

**President.** — I call Mr Maffre-Baugé.

**Mr Maffre-Baugé.** — (*FR*) Mr President, needless to say my remarks today will be concerned exclusively with Mediterranean production which is at the present time experiencing certain difficulties of a more or less serious nature depending on the particular sector: wine, fruit, vegetables, mountain farming, fishing, oyster farming and so on. Every one of these topics could really have done with a more extensive treatment, especially as the entry into the Community of Spain and Portugal, if it became a reality, would exacerbate these difficulties still further.

European agriculture has not yet found its equilibrium, and we may be forgiven for feeling, on the basis of the analysis of future prospects, that the precarious state of equilibrium sought for may be irreparably compromised by hasty and ill-considered action. I should like to stress, in passing, that the applicant countries will not benefit even remotely from the sort of spin-off they might have been expecting, as far as their agricultural workers are concerned.

Our immediate priority, therefore, must be to consolidate the common agricultural policy, otherwise we are simply leaving to the mercy of chance the livelihood of farm workers throughout the Mediterranean region, including our own French farmers, not to mention all the sectors upstream and downstream that might find themselves caught up in the process. Now, we are somewhat disturbed by the approach adopted by the Commission in its document and we do not feel that the report of Sir Henry Plumb is an adequate response to it. The weakness of the passages devoted to Mediterranean agricultural products will, in the long run, lead to methods of disengagement which tend towards a free-trade policy that deviates further and further from the original spirit of the Treaty of Rome.

To illustrate what I mean I have only to point to the Commission's apparent inability to harmonize the market in wine and to the haphazard nature of the regulations relating to the Community wine sector, which has to this day still not been able to harmonize, in the full sense of the word, serious distortions of competition between Member States, France and Italy in particular. Italy, for example, despite our friendly exhortations, has still not drawn up a viticultural land register which would enable us to see what we are doing. At the moment we are sailing through fog without radar. Imports, or intra-Community trade at any rate, are in the hands of speculators, to the cost of both Italian and French farm workers. Notions as obvious as quantitative and qualitative complementarity, which could help to stem the flow of imports, are not recognized. We are left exposed to the vagaries of currency and harvest fluctuations without the possibility of introducing a system of minimum price guarantees. Planting arrangements, oenological processes, anti-fraud measures, all vary enormously and can range from extreme laxity to the most contemptible kind of administrative pettifoggery. Instead of introducing a comprehensive policy in the

**Maffre-Baugé**

wine sector in the first place, incorporating the great traditional European wine-growing areas, we have to rely on haphazard and piecemeal measures.

I am not suggesting that we should reject every positive contribution the Commission has made up to now, but it is necessary to highlight certain weaknesses in order to remedy them, otherwise the erosion of the Mediterranean wine-growing sector will continue unchecked.

Fruit and vegetables are experiencing an unenviable situation. They are being abandoned to free competition, that is to say, unlike other products they are exposed to the full force of the irrational movements of an unorganized market. A number of specialists have already put together a set of reasonable demands, but nobody seems prepared to listen to them. In this area, too, Sir Henry Plumb's report is more of a reflection of this mentality, of this desire to place agriculture in the sidelines which characterizes the attitude of this Parliament, than the mouthpiece of the world of European agriculture.

That is why, as a French Mediterranean farmer, I cannot endorse this report. That is why, moreover, we have tabled a number of amendments designed to provide better guarantees for Mediterranean agricultural products and to afford them better protection against excessive imports.

**President.** — I call Mr Gautier.

**Mr Gautier.** — (*DE*) Mr President, ladies and gentlemen, the Socialist Group has tabled a complete motion for a resolution on the Plumb report, and this motion has the support of the German Social Democrats. Every group, I believe, includes members with divergent opinions, and it does my Group credit that those with different opinions were able to explain their positions at length this morning.

We must tolerate differences of opinion, because agricultural policy, or changes to it, does after all have something to do with national interests as well, and if we completely ignore national interests, we may very easily go wrong with the reform of the agricultural policy.

I should like to give a few examples of national interests. If we look at the various statistics compiled by the Commission on agricultural subsidies, we find, for instance, that 148 EUA per inhabitant or 3 639 EUA per farmer is paid out of the Guarantee Section in Denmark as against 107 EUA per inhabitant or 6 357 EUA per farmer in the Netherlands. To put it another way, these figures mean in the case of the Netherlands that 1.37% of the gross domestic product is being financed through the Guarantee Section of the EAGGF.

If we take Italy as an example, the differences very soon become clear, since Italy receives 23 EUA per inhabitant and 438 EUA per farmer. That is a twentieth of what each Dutch farmer receives in the way of direct and indirect benefits from EAGGF support measures and a fifteenth of what each Danish farmer receives. This is equivalent to just 0.56% of Italy's gross domestic product, almost three times as much going to the Netherlands.

The figures for France are similar to those for Italy, which is why I sometimes fail to understand why many of our French colleagues are so opposed to a more radical reform of the agricultural policy.

Prices cannot be used to change the situation. Everyone in the House knows, I believe, that price increases do precious little to help the farmers of Italy, southern France or Greece. We were given the examples of fruit and vegetables in Greece this morning, but it must be realized that the problems are quite different there, in that they are caused by the poor marketing structures. We must use the money from the Guidance Section to establish a better structural policy and to help the Greek farmers to improve the marketing of their products and so get a better price for them, rather than being dependent on a small number of traders by whom they are exploited.

The second point where we will ultimately find that the price policy does not help is incomes distribution. We have already discussed this question during the debate on farm prices. I should like to quote a figure relating to agricultural structures in the Federal Republic of Germany, on which we have quite a few statistics: farm incomes in Germany fell by about 5% last year. But what does that mean in practice? In the lower income brackets incomes per member of the family working on the farm dropped from about DM 9 700 to about DM 7 500.

In the upper income brackets, on the other hand, they rose from DM 56 000 to DM 58 000, or by 3%, compared with a 20% decrease at the lower end of the scale. The average lies somewhere between 5 and 10%, and now all the farmers are coming and saying that their incomes have fallen. The figures make it quite clear that the price policy is really of benefit to only very few people, and that must stop. We want an agricultural policy which also helps the smaller farmers, who have to work really hard, to earn a fairly reasonable living.

The third point in the catalogue of failures with our excessively high prices concerns the industrial policy implications. I believe the Commission too knows precisely what distortions of competition are involved. The fact that we cannot produce enough maize in the Community and have to import several million tonnes at an import levy of about 65 EUA per tonne, most of it going to the starch industry, is causing this industry major problems. Its products and byproducts — be

**Gautier**

they vitamins or antibiotics or paper — often cannot compete with products imported at the standard duty rate. The Commission now realizes this and grants production refunds, exactly like those mad refunds on whisky production, which had the support of the House at the time. As the price of barley is high here, we find that the industry's production costs are too high, again meaning that refunds are granted. In other words, people in Brussels are employed to collect money and then to give it back to the industry in some form or other so that it remains competitive, instead of deciding straight away that these people should buy their products in the same way as their competitors.

The fourth criticism of the price policy concerns the question of the import of substitutes. This morning we again had a lot of people talking about taxes on soya, tapioca and manioc. But when I ask my colleagues, each one wants something different. Why is this? Some say we must levy a tax on fats to make margarine more expensive and increase the sale of butter. All I can say is, they must be joking; the tax level would have to be 200% to make butter anything like competitive.

The same would, of course, be true of a tax designed to reduce milk production. I do not think that people even look at the figures any more to see what the actual effect is. Taxes at a rate of almost 200% would have to be levied to achieve an appropriate reduction of profits from milk production, but that would also put an end to any pig or chicken fattening operations. The same goes for olive oil. This is no more than a financing instrument. The conclusion I reach, therefore, is that the Socialist Group's position is the only reasonable solution for the whole of the agricultural policy. It would enable us to solve our internal problems and our external trade problems, and we would have to grant incomes compensation for the social consequences suffered wherever this was necessary for social reasons, which would be the only criteria used.

IN THE CHAIR : MR ROGERS

*Vice-President*

**President.** — I call Mr d'Ormesson.

**Mr d'Ormesson.** — (*FR*) Mr President, Sir Henry Plumb's report reflects the views of the members of the committee over which he presides capably and courteously. It is an objective synthesis of, for the most part, quite different proposals — all of which nevertheless show an underlying faith in the common agricultural policy. As such, generally speaking, it comes up to my expectations, and I therefore wish to express my approval of it to the chairman of the Committee on Agriculture.

The quantum, as defined in Sir Henry Plumb's report, offers the prospect of a new policy on surpluses, in that it fixes a target and proposes a system of limiting price guarantees to the volume that the Community actually needs, internally and externally, and for reserve stocks. Such a policy must, however, avoid two possible dangers. It must not serve as a pretext for fixing different prices, except in the case of less-favoured and mountain regions, according to region or size of agricultural holding, because any such course of action would call into question the idea of common prices, that is to say, the first of the three central principles of the common market. Secondly, it must resist the temptation to set up European agencies of a more or less national character to resolve the problem of trade within the Community and trade with third countries. In fact, to embark on such a course would eventually lead to the setting up of intolerable barriers to the freedom of movement of person, goods and capital on which the common market is founded.

**President.** — I call Mr Battersby.

**Mr Battersby.** — Mr President, Sir Henry Plumb and other members of the Committee on Agriculture have already mentioned the problem of uncoordinated national aids and the need to strengthen the monitoring system for these aids. This problem is one of the most serious problems we have to face and one which puts the credibility of the common agricultural policy at risk. If the common agricultural policy is to be a realistic Community policy, if we are to rectify the unacceptable distortions of competition which bedevil our farmers, if we are to bring about clarity and transparency and ensure a correct factual base for the coordination we seek, we, the Council and the Commission must have full, detailed and immediate information on all national aids in whatever form they are designed — past and present aids — and detailed and accurate written information of the intentions of all the individual Member States in this field. I therefore call on the Commission, in line with its obligations under Article 93 (1) of the Treaty, to intensify its work on the coordination of regulations and laws in the agricultural aids sector and on incorporating full and immediate information on national aids in the CELEX system. The CELEX system must be linked as quickly as possible to the EURONET system. Tardiness in providing information or short-term national advantage only leads to public cynicism. The Council must encourage all Member States as a matter of routine to provide precise details of all existing and, where possible, intended national aids under Article 93 (3) quickly and automatically, so that the Commission, Parliament and the electorate can be properly informed and fair realistic forward policy proposals prepared by the Commission.

**President.** — I call Mrs Martin.

**Mrs Martin.** — (FR) Mr President, having completed our critical examination, we have come at last to the decisive moment when we have to choose which proposals to go ahead with to improve the common agricultural policy. I am pleased to say that the Plumb report covers essentially all the objectives that we have always fought for, in particular the return to a stricter adherence to the three central principles of the CAP. But we also need to revitalize this common policy by seeking to ensure that the producer has the income he has a right to expect from his product while at the same time continuing to supply the consumer with goods at reasonable prices.

Another thing we must bear in mind is the imperative need to protect agricultural jobs, crucial as this is to maintaining the vitality of a good many rural areas with so many jobs being centred around agriculture.

We must also seek to correct the disparities between those regions and those areas of production which have virtually not developed at all. International solidarity further demands that we give consideration to the problem of hunger in the world and of the developing countries which we cannot simply abandon to their fate.

Another aspect that needs to be taken into consideration is the need of all our countries to expand their trade, if only to be able to import their energy.

It is with these thoughts in mind that we have been working and shall have to make our choice. This is why we attach such great importance to the proposals on guiding the patterns of production. (*The President urged the speaker to conclude*) The producer must have a better idea of what it is possible for him to produce, and we must be better able to tailor production to requirements.

Above all we feel it is vital that we adopt a more aggressive export policy. We can no longer be satisfied with simply disposing of our products. That is why the Liberal and Democratic Group...

**President.** — Mrs Martin, I am sorry, but any time that I give to you over and above the time allocated to your group will come off other groups. I am quite happy for speakers to go beyond their group time, but not to take time from other groups.

**Mrs Martin.** — (FR) May I not even finish in one sentence?

**President.** — No, I am sorry.

I call Mr Markozanis.

**Mr Markozanis.** — (GR) Mr President, I make bold to preface my remarks by emphasizing that Sir Henry

Plumb's report is not founded absolutely on reality. The eighth recital of the preamble to the report reads as follows: 'considering the new constraints which may arise for the Community from its enlargement towards the south, which has already begun with the accession of Greece, etc.' The impression is given that the difficulty is only for the rest of the Community. On the Greek side it has been declared that our accession to the EEC constitutes a choice that is chiefly political; we believe, that is to say, in the idea of a united Europe. However, let us spell out, Mr President, the truth about the economic reality. The CAP was drawn up basically for the products of the northern regions of the Community, such as animal feedingstuffs. No great trouble has been taken about the products of the southern regions; this fact creates enormous difficulties for the southern regions of the Community.

I shall quote one example: our country imports annually about 70 000 tons of fresh veal. Before our accession these imports were from neighbouring countries at a price of USD 2 250 a ton. After accession these imports are from the Community at USD 3 500 a ton. In other words, our accession results in a net loss to us of USD 90 million a year. It is evident from this example that the difficulties caused by implementing the CAP hit the southern regions of the Community and not the Community in its entirety. The whole report is influenced by the acceptance of the opposite point of view, with the result that the problems of the southern regions of the Community are not dealt with in an acceptable way.

In paragraph 4, as a general principle, the rule of mutual monetary guarantee is adopted, and in paragraph 26 the need for the Committee to take more note of differences in rates of inflation is stressed, a fact which comes into conflict with the principle of mutual guarantee.

The social and economic element involved in the tree crops of the southern regions is ignored. The replacement of these crops implies a significant economic disregard of invested capital and is in many cases impossible, as these crops are bound up with the form and structure of the terrain.

The report passes over in silence the non-protection of the products of the southern regions entailed by the Community's special agreements with States that produce competitive products. Finally, no proposal has been made to render the conditions of trade in agricultural products within the Community sound, with the aim of increasing the producer's share in the final selling price.

We acknowledge that the report has several constructive elements and we propose that it be referred to the Committee on Agriculture for re-examination, with the mandate that special attention be paid to the difficulties that arise for the southern regions of the Community, as both producing and consuming coun-

**Markozanis**

tries, owing to the framing of the CAP on the basis of the products of the northern regions.

**President.** — I call Mr Peponis.

**Mr Peponis.** — (*GR*) The restructuring of the CAP occurs at a time when economic and social problems without precedent in post-war Europe are becoming more acute. The farmers of the Mediterranean see their economic situation deteriorate. Farm incomes are falling in relation to other incomes, in spite of the fact that they should have been increased. This assessment is not only our own, it is also that of organs of the EEC and of experts, and finally it is a fact that we go on having two agricultural policies in Europe, like two different gears.

The consequences of implementing the CAP so far confirm the worst fears of Greek Socialists, of PASOK in other words. PASOK maintained and still maintains that the interests of Greek farmers would be best served by a special relationship with the EEC and not by the relationship of full membership into which the present government has led us.

Under the terms of the Treaty of Rome the CAP ought to aim at the full and balanced development of the regions. But the experience of 20 years shows that the opposite has resulted. Since 1970, apart from the fact that minimal resources are earmarked for the products of the south, prices do not even cover the cost of production.

The intervention prices for nine categories of fruit and vegetables are well known. It is well known that cotton, the production of which is 100% lacking in the EEC, has a guaranteed price which does not even cover the cost of production. Whereas the CAP was intended to absorb the agricultural products of the EEC, it promotes a policy of preferential agreements which work out to the disadvantage of the countries of the south. The case of sugar is typical. Whereas we have a low cost of production here, we promote the import of 1 300 tonnes of duty-free sugar from Lomé II countries.

Comparable things happen with fruit, vegetables, olive oil and wine. Producers of the south encounter competition within the EEC. According to our own estimates, the essential and realistic approach to the problem of agricultural policy is the approach which puts the problem in the context of balanced development of the peripheral regions.

The general picture which our own problem in Greece throws into relief is, on the one hand, the abandonment of agricultural areas and, on the other, the unlimited agglomeration of people, buildings and installations in two centres. Agricultural areas are deserted and die. Urban areas die of asphyxiation.

We support a concrete policy with the aim of developing an economy that is not confined to the cultivation of crops. The solution for us lies in setting up and developing other branches of the economy with agro-industrial units of secondary production. We see, however, that the transfer of resources that this requires conflicts with the reluctance of those who feel that they are paying so that others may benefit. The north forgets the 'generous' spirit which we acclaimed earlier. At the same time, we have the familiar reluctance of capital to invest. And the policy of this capital up until now has been destructive, because its choice of agro-industrial locations was dictated by the possibility of concentrating surplus farm hands in the places in question, low transport costs and low or even negligible infrastructure costs. So resources that could have been earmarked for a balanced development of peripheral areas were transformed into profits, of multinational companies especially, and agricultural areas fall into decay.

Today we see a re-implementation of the external agricultural policy of the Community, a policy which aims at covering the Community deficit with the export of northern agricultural products at high prices, which means that the products of the south face a new harsh reality. For this same policy is the policy of a new international division which hits the south, hits the countries of the Mediterranean. The products that will be imported are, for the most part, products that are produced in Greece and in other Mediterranean countries. And so one of the basic arguments advanced by the New Democracy Party in favour of Greece's accession to the EEC collapses. What we hear today is in utter contradiction to what that same New Democracy proclaims in Greece, or proclaimed a few months ago.

In conclusion we stress that we, the Greek Socialists of PASOK, refuse to separate agricultural policy from the policy of regional development. Furthermore, we make the accusation that the system in Greece has led to devastation of the interior and to the formation of two centres of asphyxiating and catastrophic agglomeration of installations and human beings. Finally, we reject any measure that may lead to a drop in productivity.

In conclusion, Mr President, we declare that protection of farmers' incomes is one of the basic planks of the policy of PASOK. For this reason we shall vote against the Plumb report, because, as tomorrow's government, we must take all the measures which will permit the balanced, self-generating development of our country and the prosperity of our people.

**President.** — I call Mr Clinton.

**Mr Clinton.** — Mr President, I know I am very short of time, but I do want to express my very sincere

**Clinton**

regret at the absence of Commissioner Dalsager through illness. I was glad to be assured this morning that he is well on his way to recovery and will be back with us soon again.

I want to thank the rapporteur, Sir Henry Plumb, for all the work he has done on this report and for the way he has steered it through the Committee on Agriculture. In draft it has been examined and discussed in great detail. I think it is fair to say that all the political groups represented on the committee recognized and understood that we were looking at the strongest pillar of the European Community and that in order to ensure its continued strength and safety it was being critically examined for possible cracks or signs of fatigue. Everyone felt that no new structure could replace it and that any attempt to undermine its solid foundations would spell disaster for the whole Community. When people speak thoughtlessly about reforming the CAP they are, in my view, attacking one of the strongest forces for European union and progress. As we know, this is a own-initiative report, and I feel that it is entirely appropriate that it should be produced and presented to Parliament before 30 June, which is the final date for the Commission to publish its proposals for the development of Community policies.

While I can go a long way with most of this report, I am not without concern about some of the proposals contained in it. I am concerned about the proposal in paragraph 13 for the introduction of overall Community quanta for each sector as one of the ways to discourage surpluses, because I see great difficulty in finding a way of administering such a scheme so as to be fair to all producers in different regions. How do we get this idea down to the level of the individual holdings in so many different stages of development and perhaps with a very heavy reliance on particular products that happen to be in surplus? It sounds grand in theory, but in farming it is often very difficult to switch from one product to another without very great hardship and loss.

My next concern is about paragraph 25 — national aids. This paragraph is not nearly strong enough in my view. The time for monitoring and harmonizing should be long over. If we are serious about a common policy and fair competition all national aids should be removed, and if they are necessary they should be paid for by the Community. Free trade and a common market are no longer possible if some producers are helped and others handicapped.

*(The President urged the speaker to conclude)*

I am sorry that I can't continue. I am about halfway through, but it is an extraordinary system that gives Members three minutes to speak on this most important subject, while we spend hours and days talking about things in the farthest part of the earth. It annoys me to be put in this position. I am sorry, Mr President!

**President.** — Mr Clinton, don't blame me, blame your group for the time that was allocated to you. We must be ready to vote at 5 p.m.

I call Mr Denis.

**Mr Denis.** — *(FR)* Mr President, in view of the limited time available to me and bearing in mind what I have had occasion to say in this House before, I should like to concentrate on just one aspect, but an essential one nevertheless.

Any serious discussion on the common agricultural policy must necessarily have as its point of departure a careful study of real needs and of needs overall. Now, as you know, even today there is hunger in the world, and poverty is likely to become more acute. One cannot therefore but condemn the view widely canvassed here that we should, in fact, cut back agricultural production in the Community. My friends have already shown that to talk of agricultural surpluses is misleading, because in order to satisfy requirements production actually needs to be increased.

That is why we continue to propose the implementation of a major policy of cooperation with the ACP countries to help bring about a rebirth of agriculture on both sides. Clearly this idea runs counter to the present approach which is nothing short of a provocation to people suffering from starvation. The indivisible interests of the developing countries and of the agricultural workers of France and the other EEC countries demand that we follow a quite different course.

**President.** — I call Sir Frederick Catherwood.

**Sir Frederick Catherwood.** — Mr President, in his excellent report for the REX Committee, Mr Jonker has pointed out that the best forecasts show that in eight years time the developing countries, excluding China, will have a deficit of 52 million tonnes of cereals, 19 million tonnes in dairy products and a completely new deficit of 162 million tonnes in meat, where we have a surplus now. And we know the causes of this: the world population explosion, political instability around the world, rigid or obsolescent systems of agriculture and shortage of low-cost energy. These problems will not go away, and they may even get worse.

Now maybe we could have relied on cheap imports in the past, but the age of cheap imports seems to be over for good and we fortunately built an effective agricultural industry instead. It seems that we will need it in the future, far more than in the past, and we in the REX Committee will probably wish therefore to do a great deal more work on the prospects for supply and

### Catherwood

demand for food in world markets, so that we can make certain that we grow in Europe what we need in Europe.

But we also have to study the needs of the developing world and we must not assume, as so many Members of this House seem to assume, that our surplus exactly meets their need. Indeed, our low-price surplus may, in fact, destroy the developing countries' farmer, and the REX Committee has recommended that we see where greater access to the Community could help to encourage food production in the Third World.

I feel therefore that we have a policy that has to be saved. It should not be abolished or even radically restructured, as Mrs Castle has suggested, but reformed, as David Curry has suggested, on the basis of what we have got at the moment. It must also be adapted much more precisely to Europe's need, as well as to the needs of the poor and of the hungry world. This is the next major effort we have got to make after Sir Henry Plumb's report. With the new instruments we hope to have in this agricultural policy we must take a fresh look at the part we want Europe to play in world trade in food.

**President.** — I call Mr Gatto.

**Mr Gatto.** — *(IT)* Mr President, in committee I voted against Sir Henry Plumb's resolution because it did not contain our most important proposals. Other members from the Left and I had tabled amendments, and my final vote depends on their acceptance.

This does not mean that I do not appreciate Sir Henry Plumb's exhaustive and intelligent work, or that I am insensible of his personal merits. On the contrary, the Plumb proposal is praiseworthy in many instances. Most important, it forcefully stated the problem of the reform of the CAP — a policy which, even though it has some positive aspects, is nevertheless the cause of imbalances, surpluses of which it is difficult to dispose, and distortions in production. Secondly, it gave a clear picture of the relationship with the Third World and the problems of hunger and development. Finally, it put agricultural policy in the framework of regional policy.

The Plumb report mentions the fact that the present CAP accounts for sums from the EEC budget which must be considered excessive in relation to the results actually obtained. The European Parliament undoubtedly has a duty to criticize the present system for its lack of efficiency in respect of the declared objectives, since an inefficient policy is often an occasion for waste.

If, however, we wish to enable European agriculture to make an important contribution to economic development and a policy of world solidarity, we must dispose of larger resources, and therefore we cannot

fully accept the proposal to redistribute the present resources employed for agriculture. This is insufficient particularly for my country and for Ireland, where large-scale investments are needed to bring about the economic convergence which is essential to the success of the very concept of a European Community. In this regard we must be aware that such a major financial effort will be truly productive only if agricultural policy is seen from a perspective which takes the particular nature of each situation into account and fits it into a broad planning strategy.

It has gradually become apparent that the fundamental principles of Community philosophy are divorced from the everyday needs and realities of the people. For this reason planning has become an essential element in the new phase of Community policy. The general and specific choices to be made must stem from such a planning effort and be based on a continuing public confrontation between national and Community authorities and, among these, the parliaments and social groups.

Agriculture cannot be considered a sector for public assistance nor one which is divorced from the general economic context; it should be integrated with other productive sectors. It is in such a framework that we should consider the references made to the inadequacies in Community policy regarding market structures and the general relationship between agricultural supply and demand on the part of the various consumers.

A better relationship must also be established between agricultural production and industries engaged in the processing and marketing of agricultural products. Effective action must be taken by public authorities to defend that part of the agricultural sector which is now the weakest, and to involve the various sectors producing goods for agricultural use, in order to bring about the significant increase in agricultural profits which is indispensable for reducing existing disparities.

The policy on prices cannot by itself, as has already been said, produce an improvement in agricultural profits, particularly in situations where the harvests are not large or where there exists a serious environmental difficulty. Pricing policy cannot be eliminated; it should, however, become more flexible and it should be expressed through intervention designed to rebalance situations distorted by factors pertaining to the system of production and to the money markets. . .

*(The President urged the speaker to conclude)*

Mr President, I was invited to speak for five minutes, but now I see that I have only three. This allocation of speaking time seems to me to be absurd and faulty; it is, however, for the presidency, not for me, to alter it.

**Mr President.** — I agree. I really cannot make this point strongly enough. We set a schedule; the group



**President**

chairmen meet and allocate speaking-time; the groups meet and allocate it amongst their members. The only restriction on the House is that we finish at 5 o'clock for the voting. That is all. If anybody loses time, it is people from your own group who spoke too long earlier on. I have Mr Van Minnen from your group down on the list to speak. He has been allocated 5 minutes: he does not even get a chance to speak for one second. It is previous speakers from the respective groups that are taking up those groups' time, and I think you must take it up with your own group. At all events, I certainly sympathize with those who prepare speeches and then cannot make them.

I call Mr Bocklet.

**Mr Bocklet.** — *(DE)* Mr President, ladies and gentlemen, for the first time the European Parliament has before it a motion for a resolution entirely devoted to ways to improve the common agricultural policy. The European Parliament is thus discussing a subject — and I feel this should be emphasized — which rouses our fellow citizens when the talk turns to the European Community.

I do not need to go into the familiar slogans here. The principal advantage of this document, despite its occasional verbosity and vagueness, is that, firstly, it keeps to the facts and so helps to introduce an objective element into the public debate and that, secondly, it contains practical proposals for the solution of the present problems, proposals which, it seems to me, represent a balanced compromise between the interests of all concerned.

I should like therefore to congratulate Sir Henry, who as committee chairman went to so much trouble to draw up this report and to be fair to all the varying interests involved.

This motion for a resolution tackles the problem of limiting the surpluses courageously and draws socially acceptable conclusions. By calling for the definition of maximum quantities for individual sectors, it also makes for greater clarity for all concerned. This has prompted me to table on behalf of my Group Amendment No 152, which attempts to fix the maximum quantity at demand within the Community plus a set safety reserve, a quantity that can probably be sold on the world market and a quantity needed for food aid. This makes it possible to work out the maximum quantity for each product with reasonable accuracy. The combination of maximum quantity and co-responsibility will also help to limit the cost of the common agricultural policy. But the document also provides for a price guarantee and so a kind of incomes safeguard in respect of any quantity below the set maximum.

On the subject of co-responsibility, however, paragraph 13 is very vague, and this has prompted my Group to propose in Amendment No 152 an addition to make it clear that farmers may be made financially co-responsible for a limited period only as a means of reducing the cost of surplus production.

A further positive aspect of this motion for a resolution that I should like to emphasize is its total rejection of incomes subsidies as a way of solving the social problems if agricultural prices are reduced. The word has now got around that a policy of this kind would cost the taxpayer far more than the billions at present paid out of the Agricultural Fund. We are convinced that compensatory payments should be made only for measures which are necessitated by regional and social policy and ecological factors and cannot as a rule be paid for from incomes earned in the market.

I should like to place particular emphasis on the recognition by the Plumb report of the need for both full-time and part-time farmers in the interests of maintaining a varied agricultural structure, thus defusing the all-or-nothing situation faced by many farmers by offering several options and providing a social cushion for the transition from agriculture to another sector.

Ladies and gentlemen, one of the aims of the Stresa conference was to ensure the continued existence of family farms by improving the structure of agriculture, coupled with a clear rejection of industrial production on factory farms. No evidence has yet been produced to prove that this objective is wrong. Security of food supplies and environmental considerations leave no room for an alternative to farms run by farmers. This motion for a resolution is also committed to the objective of maintaining such farms, not least because it does not close its eyes to the trend in the last decade towards larger units but puts forward reasonable proposals for overcoming these problems.

*(Applause)*

**President.** — I call Mr Dalsass.

**Mr Dalsass.** — *(DE)* Mr President, the resolution tabled by the Committee on Agriculture seems on the whole to be balanced and to indicate the right course for the correction or adjustment of the agricultural policy. It certainly cannot be said to call for a major reform or change. Such words would be an exaggeration. What is needed is an adjustment, since the foundations on which this agricultural policy was first built remain the same. And rightly so. The aims have also remained the same, these being to ensure that farms receive a reasonable income and to maintain self-sufficiency within the Community.

Although nothing has been done to change this basic alignment of the agricultural policy, its deficiencies

**Dalsass**

and excesses have been considered in this report and appropriate proposals are made for their elimination: reduction of surplus production, narrowing of the gap between poorer and richer regions, although this should extend to other sectors of the economy apart from agriculture, and prevention of migration from rural areas. On the subject of surplus production, several speakers have said here that greater use should be made of the price instrument, in other words, prices should be set at a lower level. I would warn against a system of this kind, because it would destroy agriculture, deprive farmers of the basis of their livelihood and so encourage migration from the land.

This is particularly true — and I say this because I come from a mountain region — of the mountainous areas. If hill farmers are not guaranteed an adequate price, they will certainly give up farming, thus leading to the depopulation of rural areas. This would be an even worse case, since it would be depriving the mountain regions of the additional function they have to perform as a recreational area for the public as a whole. It would also contribute to the incidence of many more cases of damage to the environment.

**President.** — I call Mr Helms.

**Mr Helms.** — *(DE)* Mr President, ladies and gentlemen, I will take up only one point mentioned in the debate, because I consider it to be of fundamental importance.

Commissioner Andriessen explained in his reply the cautious policy which the Commission has pursued towards price-fixing in recent years and which it will presumably continue to pursue in the future. A cautious price policy is a good thing, but only if it applies to everything, including the public services, and in all sectors of the economy. But we often find exactly the opposite is being done. This has resulted in the decline in the real incomes of today's farming families and full-time farms in Europe, despite the constant increase in their workload and output. In the current year, according to the Commission and even according to information provided by the governments of the Member States, it is to be feared that incomes may fall by a further 10% to 20% and possibly more. This is the reason for the crisis in the common agricultural policy that we must discuss here. That is the problem we must tackle if we want an agricultural policy for the farming families to which Mr Bocklet has just referred.

The adoption of a cautious price policy for agriculture alone means pressure on specific prices and the wilful reduction of the incomes of many full-time farms. That cannot and must not be the aim and underlying principle of the common agricultural policy. We cannot go on like this, in my opinion. I call on the Commission to rethink its position and to join with

Parliament, as part of the budgetary authority, in adopting the course of assuring family farms of a livelihood, giving this question top priority.

The obvious crisis in Community policy, and I am referring here specifically to the Council, must not lead to the dismantling of and discrimination against what is at present the only real Community policy. Proposals on how this can be achieved, what approach should be adopted and what measures taken have now been put forward in this report by the Committee on Agriculture, and I invite the Commission to take up these proposals and to join with Parliament in actively defending them and gaining the Council's approval. The time does not permit me to go into my amendments, which concern own resources, distortions of competition, quality standards for all foodstuffs originating from the Community and from third countries and co-responsibility. My Group supports these amendments, and I very sincerely request the House to do the same.

**President.** — I call the Commission.

**Mr Andriessen, Member of the Commission.** — *(NL)* Mr President, thank you for allowing me this opportunity of speaking again at the end of this fascinating debate to reply to some of the remarks that have been made. I do so with a clear conscience, Mr President, because I kept back ten minutes of my speaking time this morning. This is not to say that ten minutes are enough to do justice to all the important observations that have been made during today's debate. I am forced to make a choice and I will therefore begin by again complimenting Sir Henry Plumb and all those who have helped to make this a fascinating debate on their contributions to the further development of the common agricultural policy.

It has been a good debate today, with various views and arguments repeatedly emerging. You may rest assured that I shall be reporting to my colleagues in the Commission and that in our final discussion on the mandate next week we shall take account of what has been said here today. I should like to tell Mr Curry that I shall, of course, ensure that Parliament is informed as quickly as possible of the decision taken on the contents of the report to be drawn up under this mandate.

Mr President, according to an old French saying, there must be differences of opinion for a good debate and, to permit a debate, there must be agreement. I was not surprised this morning to find many speakers opposed to the general approach proposed in the report or to certain aspects of the Commission's policy. The Commission has the right, of course, to defend itself, and Parliament would expect it do so. I will therefore refer to what Mrs Castle had to say. I feel she made a brilliant speech, and I can well imagine

**Andriessen**

that the British Prime Minister is happy that she is involved in debates here rather than in the House of Commons. This does nothing to alter the fact that I totally disagree with the suggestions made in her Amendment No 113. As I said this morning and as I will say again now, it is a complete illusion to believe it possible to turn the agricultural policy upside down by halving farm prices for five years or so and to provide compensation in the form of direct incomes subsidies. That would mean our spending far more, not less, on our agricultural policy. It would therefore be directly opposed to the objective of the financial renationalization of the agricultural policy, one of the aspects of the reforms being discussed. In my view, it also runs counter to the opinion of the majority in this Parliament.

Nevertheless, we must endeavour to keep Guarantee expenditure under control, not as an aim in itself but as a further means of progressively releasing more resources for structural policy measures. That is the line the Commission is taking, and it is already bearing fruit. Let me give you a few examples. From 1977 to 1979 the Guarantee Section of the Agricultural Fund showed an annual growth of over 20%. Since last year we have managed to reduce this growth rate to about 12% without this affecting annual incomes. From the point of view of market administration and cost control I regard this as a remarkable success.

Mr President, I should like to make two other comments relating to the budget. The first is addressed to Mr Barbagli. I repeat that it is not the Commission's intention to force the agricultural policy into a financial strait-jacket. We feel that this policy is in need of improvement, and this irrespective of the Community's budgetary problems. Added to this, and I should like to stress this, Mr President, we believe that the continued development of the Community cannot be ensured if we maintain the 1% ceiling on own resources. Secondly, and this in reply to Mr Tolman, Mr Provan and others, I can say that the Commission views sympathetically what has been referred to as a rural fund, designed to enable an integrated approach to be adopted towards the problems of rural areas. What we are ultimately concerned with is not so much the number of cows per hectare or the olive oil yield, but the economic and social conditions of those who work on the land and have to earn their daily bread from it. The Commission therefore stresses the need for the improved, more coordinated, more integrated utilization of all the structural funds.

Reference has been made from all sides and by very different political groupings to the national support measures. As I said this morning, we must not overrate the magnitude of this problem. A number of practical examples have been given during the debate of various French support measures and also the rates charged Dutch market-gardeners for natural gas. Two different matters, but in both cases the Commission has initiated proceedings pursuant to Article 93 of the

Treaty. And I can assure you that in these and other cases the Commission will be scrupulous in performing the watchdog function conferred on it by the Treaty. We shall bark frequently, but we shall not shrink from giving a sharp bite wherever it proves necessary. I should add that improvements have also been made to the procedures in the Commission to enable a quicker reaction in such cases. Once again I would stress what I have already said: resorting to national measures is no real alternative to the achievement of the objectives set out in Article 39 of the EEC Treaty.

Mr President, Mr Woltjer made a number of interesting remarks about the quantum and quotas. Although I was a diligent pupil when I was at school, I often find the technical jargon confusing. And perhaps the Latin term does not always reflect exactly what is intended. I would rather talk about production targets, and I think that is what is meant in Sir Henry's report. What is important is that we have some idea of the level of agricultural production required for Europe. In other words, up to what level of production can we afford to give a full price guarantee? If this level is exceeded, we do not want to, nor can we, stop production, but we can ensure that the additional marketing costs are not charged to the Community budget, but are offset by a co-responsibility levy or some other reduction in the form of guarantee given. That is essentially what has to be done, and at Mr Woltjer's request I am quite prepared to establish whether quantifiable models can be used to throw any light in this respect. There is a clear distinction between production targets at Community level — Sir Henry's quantum — and a quota system under which production is limited at Member State or farm level. We believe that Community targets at European level form the only really sound basis for this Community policy.

In reply to Mr Nielsen's question, I should like to add that the Commission shares the view that, when production targets are set, account must also be taken of the future trend in demand.

Mr President, many speakers in this debate have commented on the commercial policy aspects of the agricultural policy, and it is obvious that we must strike a balance in our external agricultural policy. Where markets are not large enough in the Community, we must establish an active export policy. But we cannot seal our own markets off against imports. Community preference does not mean we can shut our frontiers completely. In this context Mr Louwes put forward a number of interesting ideas on the GATT aspects of our policy. I can assure him that they will be borne in mind in our further deliberations.

Various speakers have referred to the procedures connected with co-responsibility. The document we published last December and the latest price proposals give a number of examples in this respect. Intervention prices can be lowered, intervention periods shortened or more stringent conditions introduced for interven-

**Andriessen**

tion, quality and so on. It all boils down to encouraging farmers to produce for the market, because in the end the farmer can get a higher price in the market than from the intervention agency. To this extent I therefore share Mr Woltjer's view on the need for the farmer to assume the responsibility that is rightfully his.

That is what one would expect a good Liberal to say. But I must make it clear that co-responsibility must, in my view, never assume the form of varied prices depending on the level of agricultural production.

A number of speakers have said that there is no balance between production in the north of the Community and production in the Mediterranean areas, and expenditure under the Guarantee Section of the EAGGF was advanced as an argument. I do not think it was right to say that northern producers are better placed because there is usually an intervention system for their products. Under a system of efficiency payments or special support amounts the farmer has just the same guarantee. The difference lies in the application of Community preference and protection at the external frontiers. I regard the fact that less is spent on wine and horticultural products than, let us say, dairy products more as a success than a failing of the agricultural policy in these sectors. I am not overlooking the problems faced by Mediterranean agriculture. There can be no denying that these problems exist, and we must therefore find a solution using general measures. I was referring to this when I spoke about the need for an integrated approach. In view of the possibility of a further enlargement of the Community, more specific adjustments to the market organizations will certainly also be needed. The Commission will pay due account to problems that may arise in this connection.

Mr President, I listened with great interest to Mrs Barbarella's statement. I do not think that her views and the Commission's are so very different as might seem at first glance. Our approach is also a longer-term approach. It is clear, of course, that there are a number of differences as regards strategy. But the Commission also wants the agricultural policy to be geared to the market as far as possible. I do not believe that there is really room for programmed production here.

There are thus two extremes, one wanting to change the policy radically, the other not, in fact, wanting to change anything. Our position is between the two. *Le changement dans la continuité*. We attach very great importance to the interests of 8 million farmers in this. Adjustments to the agricultural policy are necessary, for one thing to protect their future. The Plumb report, which, as I have said today on the Commission's behalf, we largely endorse, will provide us with a good basis. Parliament and the Commission are agreed — a good example for other forms of policy.

(Applause)

**President.** — I call the rapporteur.

**Sir Henry Plumb, rapporteur.** — Mr President, I need to add very little to the summary that Mr Andriessen has given, and thus I will not keep colleagues from voting. I would, however, like first of all to thank so many of my colleagues for the comments they have made during the day. I think it has been an excellent debate. I don't think I have ever had so many compliments since the day I was married, and that now seems a very long time ago.

Indeed I am particularly encouraged by the amount of support for those parts of the report that suggest very direct and positive changes, particularly the implementation of better management of the market. Mr Sutra and Mr Woltjer particularly asked that this be gone into in greater depth and detail before implementation. I fully understand and endorse what they are saying, because I think that if we accept the principle of this change, then obviously a lot of consultation has to take place before implementation.

I thank those who have generally agreed with the philosophy I put forward in this report and am particularly pleased that so many have appeared to support the concept of a rural policy. They have attacked uncoordinated national aids and expressed support for a Community trade policy or an improved trade policy and the other measures indicated in the report, particularly on food aid and the major factors of energy conservation and so on.

Mrs Castle suggested this morning that we should stop tinkering and make some radical changes. Well, I read her Amendment No 113, all nine paragraphs of it, with great interest — presumably it was the result of a long period of work — and I was trying to do a little bit of simple arithmetic. I reckon that if her ideas were adopted, then the Community's taxpayers would double their present amount of support to the overall Community budget, because the question is: who pays for the direct income aids that she was suggesting, particularly in view of the enormous amount that would be required for those areas that she was particularly talking about? She might also consider that the large rich farmers she was referring to are basically the consumers of the fertilizers, the fuel, the feed and the machinery manufactured by the 22% we refer to in the report, i.e. those who are working in the allied industries connected with the whole business of agriculture. I would, of course, be very happy, together with the Commission, to give her a little lesson to explain the objective criteria, because if she understood them fully, she would understand that they are based on efficient units. All those small farmers are not included when the cost — and — income balance sheet is prepared before price fixing. That is a matter that I think needs to be understood more fully by many people. If we reduce the price to levels where stocks have gone, then I submit that it would be a

**Plumb**

recipe for economic disaster that would have long-term consequences for all concerned, not least the 290 million consumers in the whole of the Community.

Madam President, Mr De Keersmaecker asked me earlier a very direct question on paragraph 52. He has every right to pose that question, because that paragraph might suggest that we in the Parliament see ourselves as co-managers of the market. Nothing is further from my thoughts. What I am really talking about here is maximum cooperation between all parties — the Parliament, the Commission and the Council of Ministers — so that we can consider together where we are going. The job of managing the market is a job for experts, and if we brought the whole Parliament into the management of the market, then I submit it would probably end in chaos. So I do not mean that in paragraph 52.

On the question of the budget, the report states that the budgetary year should coincide with the agricultural marketing year. Mrs Scrivener said that this was unacceptable to the Committee on Budgets. Well, I listened to what she said very carefully indeed, and while this paragraph was wholly supported by the members of my committee, we understand that it would require a change in the Treaty which would take some considerable time. If we were to have the Commission's proposals before the end of the year, Mr Andriessen would solve some of our problems and thereby help us to get over the discrepancy between the two. That is a point that I hope the Commissioner will take on board from this sitting.

I hope therefore that if the Committee on Budgets wishes to press its amendment, it would accept that this be in addition to paragraph 39. I have looked at paragraph 39 very carefully and found that there is no real conflict. The point made by the Committee on Budgets, if accepted by Parliament, would fit in very well with the paragraph that is already there.

So, Madam President, once again I would like to thank all colleagues for their contributions during the day. Many have expressed their concern that they did not have sufficient time to make the contribution they would have wished. That, of course, is regrettable. Nevertheless, I am particularly grateful to you, Madam President, and to the Parliament for giving us an opportunity to consider possible improvements or adjustments to the common agricultural policy in this House. I hope that if the report is accepted in whole or in part — and preferably in whole — then it can go forward both to the Commission and to the Council of Ministers for implementation forthwith.

(Applause)

**IN THE CHAIR: MRS VEIL***President*

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

We shall now proceed to the vote.<sup>1</sup>

First of all I have Amendment No 113/rev. by Mrs Castle, on behalf of the Socialist Group, seeking to replace the entire motion for a resolution with a new text.

What is the rapporteur's position?

**Sir Henry Plumb, rapporteur.** — I am totally against this particular amendment, Madam President, and I am sure my committee would be too.

Incidentally, I should like to say that while I think many of the amendments are extremely good, it would save a considerable amount of time if I did not have to comment on each amendment as it comes up. If you agree therefore, Madam President, and if the House agrees, Members may take it that I am not in favour of any amendment unless I indicate that I would like to speak on it. I think that would save a lot of time.

I am against Amendment No 113, Madam President, as much as I can be.

(...)

**Mr Forth.** — Madam President, I distinctly recall that at the last session of this House you ruled that verbal votes would not be accepted in order to avoid the chaos that we have just seen. I really would prefer if we had consistency here. I believe that the rule should be that those with voting cards may vote, those without must go and get them. Please, can we be consistent? I think that what we have just seen here has been utterly chaotic, we do not know whether the people have voted once, twice or however many times. Let us have the rule quite clear and let us please stick to it: You vote with cards or you do not vote at all.

(Applause)

**President.** — Mr Forth, when you have a roll-call vote and the votes are recorded, that in itself rules out any possibility of double voting. Up to now we have always allowed votes that were not mechanically recorded to be included in the minutes. If now, however, the Assembly feels that those who have

<sup>1</sup> This Report of Proceedings records only those parts of the vote which gave rise to speeches. For details of the vote the reader is referred to the minutes of the sitting

**President**

forgotten their voting cards may no longer record their votes, we shall have to go along with that decision. On the other hand, when the machine breaks down, I think it only proper that a Member who comes along with his voting card should be able to vote.

I call Mrs Castle.

**Mrs Castle.** — Madam President, what we are asking for is consistency on the part of the Bureau, and we are also asking for consultation of this Parliament. I support the protest that has just been made, because at the last session Mr Dankert suddenly took the chair and announced that the Bureau had decided that morning that people who had not brought their cards could no longer vote. Now some of us protested, but we were told that that was an edict and that it would operate from then on. Now you come along as President and suddenly operate the old system. May I suggest, Madam President, that what the Bureau should do is to consider the problem, including the point you have made, namely, that sometimes the machine does not work, in which case, obviously, the chance to record a vote must be given. Would you then circulate a written recommendation, including the date on which the procedure will start, to Parliament so that we can vote on it?

**President.** — Mrs Castle, if there is a dispute on this point, it is not for the Bureau at any rate to decide, but for the Committee on the Rules of Procedure and Petitions. I was not, in fact, aware, Mrs Castle, that this question had been raised at the last part-session; it is the first time I have heard it spoken of. However, on the last occasion the problem was, in fact, of a different nature. It was not a roll-call vote, but an ordinary electronic vote in which names were not recorded, thus giving rise to the possibility of fraud or mistake. That is not the case today. Between now and the next part-session we shall consult the Committee on the Rules of Procedure and Petitions, particularly on the question of what to do when the machine breaks down and it is impossible to record votes.

*After adoption of point (vii), as amended of the preamble*

**Mr Boyes.** — Madam President, a second ago we voted twice. Now I understand the great difficulty your officials have in trying to count, and I can also understand the difficulty caused by people moving about. But both of those things could be eliminated by using the very expensive voting, why don't we just use the voting equipment? It is fairer on the officials, it makes sense to use it when people are moving around and it costs about three-quarters of a million pounds. I do not see why we do not use it.

**President.** — Mr Boyes, up to now I did not want to use the electronic system in order to save time, but we shall use it when we feel that the vote is getting too complicated.

(. . .)

*After paragraph 5 — Amendments Nos 32, 54, 90 and 96*

**Sir Henry Plumb, rapporteur.** — The only one I wanted to give an opinion on, Madam President, was Amendment No 90. I find Amendment No 90 a useful addition to paragraph 5 and therefore I recommend it for support.

(. . .)

*After the rejection of Amendment No 96*

**Mr Israel.** — (FR) Since we cannot all be specialists in all fields and you have just asked all officials to leave the Chamber, I find myself in a difficult position. Could I ask you to agree to my assistant being allowed to come and help me out?

**President.** — Mr Israel, I am sorry, but we cannot allow every Member to have an assistant with him. The only one for whom an exception can be made is the rapporteur.

(. . .)

*After the adoption of paragraph 8*

**Mr Enright.** — Madam President, you quite properly refused Mr Israel permission to have his assistant with him, and yet I see that the European Democratic Group has one of its assistants seated between Mr Curry and Mr Cottrell. I think that is quite wrong.

**President.** — I call Mr Curry.

**Mr Curry.** — Madam President, since you made your observation and asked people not to walk in the aisles, rather than eject our assistant we asked him to sit here quietly and observe the proceedings.

**President.** — I am sorry, Mr Curry. Assistants have places specially set aside for them in the Chamber. Your assistant must leave.

(. . .)

*After the rejection of Amendment No 175*

**Mr Pearce.** — Madam President, in view of the last appeal to the Rules of Procedure, would you ask Mr Boyes to sit down?

(Laughter)

(...)<sup>1</sup>

*After paragraph 30 — Amendment No 65*

**Sir Henry Plumb, rapporteur.** — Madam President, since this has come from the Committee on External Economic Relations I find it, certainly in relation to Community trade policy, a very important amendment. I doubt very much whether my committee would like it as it is written at the moment, particularly with reference to the existence for import of products even when these compete with Community products; but I would like to consider this in my committee. It is up to the Parliament how they vote, but I could not support it on behalf of my committee at the moment.

(...)

*After paragraph 31 — Amendments Nos 2, 3, 4, 5, 6, 66, 67, 68, 69, 108, 109*

**Sir Henry Plumb, rapporteur.** — Amendments Nos 2, 3, 4, 5 and 6 from Mr Vitale, on behalf of the Committee on Development and Cooperation, I am very happy to accept. The other amendments, in the name of the Committee on External Economic Relations, I am not so happy to accept. The same applies: I would like to give further consideration to them, but I am not in a position to accept them at the moment.

(...)

*Paragraph 39 — Amendments Nos 43 and 163*

**Sir Henry Plumb, rapporteur.** — May I ask, Madam President, whether Mrs Scrivener would accept her amendment as an addition to paragraph 39, if that is permissible? It does not detract from our own text of paragraph 39. If she does not accept it as an addition, then I have to say that I cannot recommend voting for it.

**President.** — An amendment may not be amended in the course of the sitting. I shall put the problem to the Committee on the Rules of Procedure and Petitions.

(...)

I can now allow explanations of vote, but would remind the House that they may not last for more than 1½ minutes and that the list is now closed.

I call Mr Klepsch.

**Mr Klepsch.** — (DE) Madam President, I am not opposed to explanations of vote being given now, but in view of the already very late hour I would request that the final vote be taken tomorrow at voting time. I make this request on behalf of my Group, so that we can get some idea of the results of the votes.

**President.** — Mr Klepsch, this time there have been very few requests to be allowed to give explanations of vote.

We shall put your proposal to the vote after the explanations of vote.

I call Mr Boyes.

**Mr Boyes.** — I have a simple request. Whenever we have explanations of vote, I think the President ought to tell us approximately how many people there are on the list.

**President.** — Mr Boyes, there are eight requests to be allowed to give an explanation of vote.

I have a request from the chairman of the Group of the European People's Party that the sitting be suspended.

I call Mr Klepsch.

**Mr Klepsch.** — (DE) Madam President, I am prepared to compromise. My Group would like the sitting suspended before the final vote. We would, of course, agree to explanations of vote being given now, until 7.30 p.m. All I am asking for is the suspension of the sitting before the final vote is taken. I therefore move that we do not vote before 7.30 p.m. Requests by political groups for the suspension of the sitting before the final vote have always been granted in the past.

**President.** — Mr Klepsch, that was what I had proposed.

I call Mr Pflimlin.

**Mr Pflimlin.** — (FR) I fear there has been some misunderstanding. What the chairman of my Group was asking was that the sitting should be suspended immediately ...

<sup>1</sup> Official welcome: see Minutes of the sitting.

**President.** — No, Mr Pflimlin, I am sorry to interrupt you, but Mr Klepsch has just asked that the explanations of vote should be given first.

I call Mr Glinne.

**Mr Glinne.** — *(FR)* I request that the sitting be suspended forthwith.

**President.** — I put to the vote the request that the sitting be suspended immediately.

*(Parliament decided to suspend the sitting<sup>1</sup> — The sitting was closed at 7.20 p.m.)*

---

<sup>1</sup> *Agenda for the next sitting: see Minutes of this sitting.*



## SITTING OF WEDNESDAY, 17 JUNE 1981

## Contents

- |  |    |  |     |
|--|----|--|-----|
| 1. Common agricultural policy (continuation):  |    |  |     |
| Explanations of vote: Mr Seligman; Mr Klepsch; Mr Glinne; Mrs Charzat; Mr Louwes; Mr Pearce; Mr C. Jackson; Mr Martin; Mrs Barbarella; Mr Delatte; Mr Fotilas; Mrs Seibel-Emmerling; Mr Kirk; Mr Clément. . . . .  | 84 | Kirk; Mr Notenboom; Mr R. Jackson; Mr Thorn (Commission). . . . .  | 92  |
| Written explanations of vote: Mr Patterson; Mr Purvis; Mr Seligman . . . . .   | 88 |  |     |
| Adoption of the resolution. . . . .  | 88 | 4. Votes:  |     |
| Mrs Caretoni Romagnoli; Sir Henry Plumb . . . . .  | 88 | • Giavazzi report (Doc. 1-256/81): Restructuring of economic and monetary policies:  |     |
|  |    | Explanations of vote: Mr Nikolaou; Mr Baillot . . . . .  | 115 |
| 2. Votes:  |    | Adoption of the resolution. . . . .  | 115 |
| • Adam report (Doc. 1-193/81): Machine translation system:   |    | • Pfennig report (Doc. 1-264/81/corr.): Future of the budget of the European Communities:  |     |
| Mr Adam, rapporteur . . . . .  | 89 | Mr de Ferranti . . . . .   | 115 |
| Adoption of the resolution. . . . .  | 89 | Explanation of vote: Mr Kappos . . . . .   | 115 |
| • Dalsass report (Doc. 1-171/81): Agricultural accountancy data:   |    | Adoption of the resolution. . . . .  | 116 |
| Mr Dalsass, rapporteur . . . . .   | 89 | 5. Abolition of the death penalty in the Community — Report by Mrs Vayssade (Legal Affairs Committee) (Doc. 1-65/81):  |     |
| Adoption of the resolution. . . . .  | 89 | Mrs Vayssade, rapporteur . . . . .   | 116 |
|  |    | Mrs Macciocchi, draftsman of an opinion . . . . .  | 117 |
| 3. Restructuring of economic and monetary policies — Future of the budget of the European Communities — Reports by Mr Giavazzi (Committee on Economic and Monetary Affairs) (Doc. 1-256/81) and Mr Pfennig (Committee on Budgets) (Doc. 1-264/81/corr.):   |    | Mr Schwartzberg (S); Mr Janssen van Raay (EPP); Sir Frederick Catherwood (ED); Mr Chambeiron (COM); Mr De Gucht (L); Mr Israel (EPD); Mr Paisley (NA); Mr Siegler-schmidt; Mr Price; Mr d'Angelosante; Mr Poniatowski; Mrs Ewing; Mr Vardakas; Mr Plaskovitis; Mr Zighdis; Mr Godikas; Mr Frangos; Mr Katsafados; Mr Papaefstratiou; Mr Vlahoroulos; Mr Sieglerschmidt . . . . . | 118 |
| Mr Giavazzi, rapporteur . . . . .  | 90 | 6. Council statement on the Dutch presidency:  |     |
| Mr de Ferranti . . . . .   | 91 | Mr Van der Mei (Council); Mr Glinne (S); Mr Penders (EPP); Sir Frederick Warner (ED); Mr Fanti (COM); Mr Haagerup (L); Mr Adonnino (Committee on Budgets); Mr Van der Mei . . . . .  | 130 |
| Mr Pfennig, rapporteur . . . . .   | 91 |  |     |
| Mr Dankert (S); Mr Adonnino (EPP); Mr de Ferranti (ED); Mr Van der Mei (Council); Mr Leonardi (COM); Mr De Gucht (L); Mr Deleau (EPD); Mr Pasmazoglou (NA); Mr Moreau (Committee on Economic and Monetary Affairs); Mr O'Kennedy (Commission); Mr Colla; Mr von Bismarck; Mr Balfour; Mr Baillot; Mrs Scrivener; Mr De Goede; Mr Tugendhat (Commission); Mr Herman; Mr |    | 7. Question Time (Doc. 1/278/81) (continuation):   |     |
|  |    | Mr Chambeiron; Mr Fergusson; Mr Balfé . . . . .  | 140 |
|  |    | • Questions to the Council of the European Communities:  |     |

- Question No 56, by Mr Hutton: Attendance by public at legislative discussions of Council:  
Mr Van der Mei (Council); Mr Hutton; Mr Van der Mei; Mr Prout; Mr Van der Mei; Mr Enright; Mr Balfé; Mr Van der Mei; Mr Welsh; Mr Van der Mei; Mr Prag; Mr Van der Mei; Mr Croux; Mr Van der Mei; Mrs Ewing; Mr Van der Mei; Mr Kirk; Mr Van der Mei . . . . . 140
- Question No 57, by Mr Seligman: Cereals for food aid:  
Mr Van der Mei; Mr Seligman; Mr Van der Mei; Mr Turner; Mr Van der Mei; Mr Marshall; Mr Van der Mei; Mr Provan; Mr Van der Mei; Mr Coutsocheras; Mr Van der Mei; Sir Frederick Warner; Mr Van der Mei . . . . . 142
- Question No 58, by Mr Balfé: Standard of accounting used by the European Parliament:  
Mr Van der Mei; Mr Balfé; Mr Van der Mei . . . . . 143
- Question No 60, by Mr Griffiths: New initiatives on the social aspects of the restructuring of industries, and Question No 61, by Miss Quin: Income support for workers aged 55 and over leaving the shipbuilding industry:  
Mr Van der Mei; Miss Quin; Mr Van der Mei; Mr Griffiths; Mr Van der Mei; Mrs von Alemann; Mr Van der Mei . . . . . 144  
Point of order: Mr Griffiths . . . . . 144  
Mr Van Minnen; Mr Van der Mei . . . . . 144
- Point of order: Mr Fergusson . . . . . 145  
Mr Tuckman; Mr Van der Mei; Mr Paisley; Mr Van der Mei; Mr J. D. Taylor; Mr Van der Mei; Mr Enright; Mr Van der Mei . . . . . 145
- Questions to the Foreign Ministers:
- Question No 89, by Miss Quin: Persecution of the Baha'i minority in Iran:  
Mr Van der Mei (Foreign Ministers); Miss Quin; Mr Van der Mei; Mr Seligman; Mr Van der Mei; Mr Balfé; Mr Van der Mei; Mr Moorhouse; Mr Van der Mei; Mr Purvis; Mr Van der Mei; Mr Sieglerschmidt; Mr Van der Mei . . . . . 146
- Question No 90, by Mr Kappos: Violations of human rights in Northern Ireland:  
Mr Van der Mei; Mr Kappos; Mr Van der Mei; Mr Marshall; Mr Van der Mei; Mr J. D. Taylor; Mr Van der Mei; Mr Van Minnen; Mr Van der Mei . . . . . 147  
Point of order: Mr Purvis . . . . . 148  
Mr Paisley; Mr Van der Mei; Mr Fotilas; Mr Van der Mei; Mr Balfé; Mr Blaney; Mr Van der Mei . . . . . 148
- Question No 91, by Mr Galland: Plight of the Vietnamese refugees imprisoned in Thailand:  
Mr Van der Mei; Mr Galland; Mr Van der Mei . . . . . 149  
Annex . . . . . 150

#### IN THE CHAIR: MR MØLLER

*Vice-President*

*(The sitting was opened at 9 a.m.)<sup>1</sup>*

#### 1. Common agricultural policy (continuation)

**President.** — Before we take a vote on the motion for a resolution contained in the Plumb report on the common agricultural policy, I call the Members who wish to give explanations of vote.

**Mr Seligman.** — I shall be very brief, Mr President. In view of the delay and the fact that my explanation

concerns the rather specialized subject of national aids for turkeygrowers, I have decided to give a written explanation.

**Mr Klepsch.** — (DE) Mr President, ladies and gentlemen, I am giving the following explanation of vote on behalf of all the members of my Group. After intensive preliminary work resulting in a multitude of motions for resolutions tabled by all the groups in this House, the Committee on Agriculture and Sir Henry Plumb, its Chairman, submitted a constructive report which was adopted by a large majority in committee. Unfortunately, yesterday's voting here has meant that the unambiguous approach of that report is no longer clearly discernible, and the motion for a resolution now before us contains some major contradictions.

The unequivocal statements on the three basic principles of the CAP were diluted, and to some extent called into question, as the voting went on. As a result, this resolution does not tally with our views on certain essential points. The text before us now does not pre-

<sup>1</sup> Approval of minutes — documents received — texts of treaties forwarded by the Council — topical and urgent debate — see Minutes.

**Klepsch**

sent any unified concept. At best, it can serve as the basis for further discussions in Committee and in plenary session. A considerable number of the members of my Group will for this reason not be voting in favour of the resolution as it now stands.

We assume that the Commission, in execution of its mandate of 30 May, will also be making proposals on the future direction of the CAP, and we therefore reserve the right to put forward our views on that occasion once more in a clear form which will permit the House to come to a clear-cut decision.

*(Applause)*

**Mr Glinne.** — *(FR)* Mr President, ladies and gentlemen, in the last few years the imbalances in the agricultural production process have gone from bad to worse. There has been a steady exodus from the countryside in the Community's southern regions and the gap between industrial prices and farm prices has widened, indicating that the large industrial and financial groups are being given priority over agriculture and that a profound shakeup of agricultural policy is needed. The worsening of regional disparities which predated the Common Market has prompted the Socialist Group, which has always spoken out against the distortion and imbalance provoked by the common agricultural policy, to propose a review of the CAP and the introduction of a European policy with, in the farming regions, the following aims. Firstly, it must protect the incomes of farmers and farm workers; and secondly, it has to guarantee supplies which are adequate, in terms of quality as well as quantity, and available at reasonable prices for consumers, who for the most part are workers. It has always been the Socialist Group's view that far too much of the budget goes on the common policy for markets and prices. If there had been more emphasis on a common structural policy, there would have been more chance of achieving what the CAP set out to do and thus curbing the spiralling costs of the policy on markets and prices. The Socialist Group feels that the CAP, in the way it operates at the moment, is ineffective and wasteful. It is far too inward-looking and costly and does not do enough for the consumers or even for small farmers. Consequently, even though we feel that the Plumb motion for a resolution as amended in committee and here in the House is inadequate, the Socialists will still be voting in favour of it since the group believes that the realization of the ideas contained in the report will go a long way towards achieving the aims of the CAP at less cost than that of the present methods. At any rate, this is a first step — and I mean first step — towards the CAP reform which we have been calling for wholeheartedly for such a long time, and especially during the campaign during the run-up to the June 1979 direct elections to this Parliament.

*(Applause from the Socialist Group)*

**Mrs Charzat.** — *(FR)* Speaking as a French Socialist, Mr President, there is no way I can share the views of Mrs Barbara Castle, who spoke about the common agricultural policy on behalf of the Socialist Group.

There are two points I want to make about what Mrs Castle said. Firstly, she is definitely not speaking for the French Socialists or for those of any other country whose aim is to protect the CAP and to develop its structure.

*(Applause from the European Democratic Group)*

Secondly, while the Plumb report provides a basis for discussion, Mrs Castle's views on the other hand are totally negative. They are negative for the consumer, negative for the farmer and negative for Europe.

*(Applause from the European Democratic Group)*

To sum up, the French Socialists are set on defending and encouraging Europe's one big asset, its agriculture. This is why we voted against Mrs Castle's amendment.

By way of conclusion, let me say we shall be abstaining in the vote on the Plumb report even though we gave our support to several amendments. The fact is that, while the Plumb report is full of good intentions, the methods and the aims put forward in it are still inadequate when it comes to giving the common agricultural policy the fresh impetus which is more than ever essential.

**Mr Louwes.** — *(NL)* Mr President, my Group is very disappointed at the way yesterday afternoon's voting went. Sir Henry Plumb's fine and balanced report was in places watered down and made less clear and a certain number of amendments were approved which go both against the spirit and the letter of the report.

I shall give a few examples of what I mean. A paragraph, namely Amendment No 44 originating from the Conservatives, was added to paragraph 13, which is one to which we are very attached, and this new paragraph may be interpreted in different ways. It is our view the authors are not aiming through this amendment to achieve a spreading out of the global Community quantum amongst individual farm holdings, which is exactly what the original and already approved paragraph 13 wanted to avoid. We interpret this new paragraph as meaning that financial co-responsibility must be limited to that part of production which goes above the prescribed Community quantum.

Amendments 41 and 146, by the Conservative and Socialist groups respectively, 'très étonnés de se trouver ensemble', to paragraph 35, which you should all note, concerning the major question of Community

**Louwes**

preference, are somewhat at loggerheads with this cornerstone of the CAP, are somewhat incompatible with that notion. This is taking place at a time when the Council and the Commission and even the Plumb report itself precisely wish to maintain this basic principle. In addition, the text of both of these amendments is such that it is with some difficulty that a meaning can be extracted from them. The content of these amendments is not made explicitly clear.

More or less the same remarks can be applied to the amendments tabled by Mr Jonker, on behalf of the Committee on External Economic Relations, since these amendments also have a somewhat ambiguous ring to them. All in all, Mr President, my Group regrets the fact that the content of this report has been watered down. After long discussions and painstaking weighing-up of the pros and cons, the majority of my Group shall none the less vote in favour of the report, because the fundamental point contained in the original paragraph 13 has remained intact. Some of our members, however, have objected on principle to some of the amendments and they will vote against.

**Mr Pearce.** — Mr President, there are occasions when those of us like me who are not farmers approach measures for the support of agriculture with a certain caution. We need have no fears on this occasion. The Plumb report does face up to the problems that confront us and offers practical solutions.

If one thing would convince me especially to vote for this resolution, as I will, it is the speech of Mrs Castle. I am surprised at her group choosing as its leading speaker someone who in the event could only serve up old-fashioned, negative, vindictive socialism.

*(Cries from the Socialist Group)*

She talks of redistributing wealth; she attacks wealthy farmers. It is she who wants to dismantle the principles on which the CAP is founded. At no time did she take proper account of the main purpose of agricultural policy: to grow the food our people need to eat — an aim we must support.

It is an essential European interest that in a world where the supply of food is getting shorter we maintain and increase our ability to produce our own food. That means maintaining a healthy farming sector. The Plumb report points the way to do this and to do it more cheaply and more efficiently. I shall vote for the resolution and I urge all of our friends to do likewise.

**Mr C. Jackson.** — Mr President, I believe the resolution should have been stronger insofar as it concerns national aids. Last year I obtained a copy of the Commission's secret dossier of national aids.

*(Cries from various quarters of the House)*

It was dated 1977 but contained no information after 1974. It was six years out of date when I obtained it.

*(Laughter)*

The 3 000 pages of national aids were compiled on so many different bases it was impossible to see how much aid went to a particular product in a particular country or region. In short, on the evidence given me — and it was given me — by the Commission national aids are completely out of control. It is not clear whether this is due to weakness and inefficiency on the part of the Commission or due to Member States illegally withholding information. But we in this Parliament have a duty and a right to hold the Commission to their duty to carry out Articles 92 and 93 of the Treaty. We shall have no true common market in agriculture, no fair competition, no trust until national aids are either completely subsumed in the common agricultural policy or rigidly controlled by the Commission in the context of a long-term plan. With this reservation I shall none the less vote for the resolution.

**Mr Martin.** — *(FR)* Mr President, without deluding ourselves about the aims of the common agricultural policy, which has already had a terrible impact on French agriculture, we are determined not to give an inch in defending and consolidating what has been achieved by the struggles of our rural working class.

The chief aims of the amendments we tabled were to guarantee a decent income for producers, to improve the guarantees for Mediterranean products and to give them better protection against imports, to curb any attempts to limit production, to set up a proper export policy free of any American influence and to boost Community participation in the struggle against underdevelopment and hunger in the world.

Our amendments were not adopted, which means that the Plumb report was not improved along the lines we wanted. In spite of this, we still feel that the report has one or two things in its favour, especially with regard to the respect of Community preference, import restrictions on fats and substitution products, the retention of the objective method in fixing farm prices, and the introduction of a genuine export policy based on the development of agricultural production in the Community. On the other hand, we cannot go along with the Community quantum proposed by Sir Henry Plumb or with the generalized co-responsibility scheme proposed by the Commission. We intend to abstain from voting because we do not want to be classed with those who pursue the Malthusian policy of curbing farm production.

**Mrs Barbarella.** — *(IT)* Mr President, the Italian Communists had occasion yesterday to express their strong reservations regarding this motion on account of

**Barbarella**

its vagueness. In our opinion this motion provides no approach for a proper overhaul of the common agricultural policy and simply outlines vague principles and criteria without coming up with any new ideas for a change in Community policy which we feel is essential in the circumstances. Subsequently, we have had the vote on the individual paragraphs of the motion, and this has seen the adoption of a series of quite contradictory elements which seem to us to weaken the text considerably.

All we can do at this point, Mr President, is to restate — and with added vigour — the views we outlined at the beginning and then vote against the motion. At the same time, we are sorry that Parliament has not managed to state a bold and clear opinion on a question which is crucial for the future of Europe.

**Mr Delatte.** — *(FR)* Mr President, ladies and gentlemen, when I spoke during the debate yesterday I said that the Plumb report was structured and balanced and that it had been adopted by a large majority by the Committee on Agriculture. During the plenary sitting yesterday, however, a number of basic points were altered by the adoption of some far-reaching amendments which distort the objective usefulness of the report.

My Group is split on this final vote. There are some — as Mr Louwes made clear just now — who try to gloss over the extent of these amendments while there are others who cannot accept this significant alteration of the Plumb report.

There are in fact two amendments by Mr Jonker which propose, firstly, the abolition of Community preference and, secondly, a rejection of levies on imports of fats and substitute products, while European producers have to cope with a co-responsibility levy.

What is more, the amendment by the European Democratic Group offers an interpretation of the quanta which we find unacceptable because, if it were to be implemented, this would be bound to lead to a restriction on the production of each holding and to a system of differentiated prices. The net result would be to cripple European agriculture, which as a matter of fact has proved to be very efficient over the last few years.

It is for this reason, Mr President, that a large section of my Group will be voting against the report.

*((Applause from the Liberal and Democratic Group))*

**Mr Fotilas.** — *(GR)* In its final version incorporating the amendments adopted, the motion presents the following omissions.

Firstly, it does not provide for direct national aid for the incomes of certain farming groups. Secondly, it does not provide for any differentiation in price rises to take account of the increase rates in the price index in the various countries.

As regards the proposed abolition of the co-responsibility levy, it only concerns dairy produce, i.e. produce of the highly developed countries of northern Europe.

Lastly, no provision is made for giving Mediterranean products any sort of guarantee with regard to similar products from third countries which have signed preferential agreements.

In providing for a solution to certain problems relating mainly, if not exclusively, to farm produce from the highly developed countries of northern Europe, the resolution consolidates and confirms the system of a 'two-tier' Europe with two completely different rates of development. What the final version of the Resolution actually does, therefore, is dash hopes, obstruct the genuine readjustment of the common agricultural policy and, lastly, undermine any notion of European solidarity. For this reason the Greek Socialists will vote against the motion.

**Mrs Seibel-Emmerling.** — *(DE)* Mr President, unfortunately only a few Members saw the opportunity and need to improve the present CAP by tabling amendments in favour of safety and health and the protection of the environment. Therefore, consumers will continue to have reason to complain about major defects in the CAP. However, yesterday during the voting, and for the first time, an albeit small glimmer of hope appeared on the horizon. Because of this small glimmer of hope and because it may prove possible, through a new CAP, to guarantee better protection for the environment and for consumers, I shall vote in favour of this resolution.

**Mr Kirk.** — *(DA)* Mr President, anyone who attended yesterday's debate would have heard the common agricultural policy being violently attacked from many sides. We have also heard from some of this morning's explanations of vote that many people are dissatisfied with the report before us, since they think that the changes it proposes to the common agricultural policy are not sufficiently radical. In my view, however, it is a good thing for this Parliament that we have a report before us which does not suggest changing the basic principles of the common agricultural policy, and this is why I intend to vote in favour of it, since it is vital that European farmers be given the assurance that they can continue producing their foodstuffs and producing them with the support of the European Parliament. Let us hope, therefore, that this report will mean that the Council and Commission will continue in their efforts to defend the principles underlying the common agricultural policy, thereby

**Kirk**

guaranteeing stable food supplies in Europe. I intend to vote in favour of the report.

**Mr Clément.** — (FR) Mr President, the Group of European Progressive Democrats is not against improving the common agricultural policy, but only if the essential part is kept. I mean in particular the safeguarding of farmers' incomes and Community preference. In the course of the debate we have not only seen most of our amendments along these lines thrown out but we have even seen other amendments adopted which, in our view, make the Plumb report unacceptable, especially as regards this quota system which has been foisted on us and which we think is intolerable.

I say this first of all because we need to be self-sufficient in food — this is essential if we want to be independent — and also because Europe needs to offset world hunger. Here in this Parliament we have come up with some grand ideas on this subject but we have never got round to implementing them. Secondly, these amendments have undermined Community preference by opening the doors to processed products as well as raw materials.

Thirdly, these amendments have made the co-responsibility system in the dairy sector worse.

To sum up, the Group of European Progressive Democrats cannot give its backing to a report which brings in a Malthusian policy to which we are opposed. We shall be voting against the report.

*Written explanations of vote*

**Mr Patterson.** — I am voting in favour of this report; but in protest at the adoption of two amendments: No 85 to paragraph 16; and No 43 to paragraph 39.

Both these amendments, though their contents are perfectly acceptable, are not related in any way to the texts they replaced. Amendment 85 concerns the 'renationalizing' of the CAP; the original paragraph concerned the application of the 'objective method'. Amendment 43 concerns the rate of agricultural expenditure; the original paragraph 39 concerned the adjustment of the budgetary year.

It is possible that this was purely accidental, the result of the re-numbering of paragraphs in later versions of the report. It may have been intentional.

In either case, these two amendments should have been declared inadmissible under Rule 54.1 (a).

**Mr Purvis.** — I will vote for the Plumb report. It provides a reasonable way forward for Community agriculture which should be an example to the Commission, the Council of Ministers and the Member State governments and parliaments.

In particular I am sure it will not be lost on those who criticize the CAP that its principles are fundamental not only to the interests of all those connected with agriculture, but also to the freedom of all Europe's citizens from food shortages and blackmail pressure from alternative foreign supplies.

It must also be recognized that if the EEC budget is to be better balanced it is inconceivable that sufficient funds can be found by any reasonable reform of the CAP. The implication is that the limit on budget resources will have to be raised to accommodate justifiable policies, otherwise we must accept that the budget will be permanently unbalanced.

Although this motion points the way, more detailed work and consideration will have to be devoted to the radical changes proposed — the quantum system, coordination of national aids and a dynamic export policy.

**Mr Seligman.** — I shall be voting in favour of the Plumb motion, because I am in favour of the monitoring and coordination of national aids by the Commission.

I see national aids as absolutely necessary, as a temporary interim measure, to rescue any particular agricultural sector whose very existence is threatened by industrial attack, designed to destroy that sector.

The British turkey industry is an example of this. A French turkey grower in Brittany has declared his intention to supply almost the whole British overready turkey market from one new factory built with national aid. French turkey growers are already quoting turkeys to British shops at sacrificial prices, which the British producers cannot hope to match, despite their high efficiency.

If the British turkey industry, which produces 25 million turkeys a year, does not receive interim national aid, it will be destroyed by the end of the year.

I therefore call on the Commission to investigate the legal situation urgently. This will take time. In the meantime some temporary British national aid is urgently required. It should be coordinated with the Commission, as Sir Henry Plumb says. There is no sense in reducing unemployment in one member country by increasing it in another member country.

That is why I am in favour of the motion.

*(Parliament adopted the resolution as a whole)*

**President.** — I call Mrs Caretoni Romagnoli.

**Mrs Caretoni Romagnoli.** — (IT) Mr President, as your staff will be able to confirm to you, we tried to point out to you that this section of the Chamber was not in a position to vote.

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

**Sir Henry Plumb, rapporteur.** — Mr President, on a procedural point may I raise a matter of importance now that this report has been adopted, namely that the report should not be left for consideration by the Commission or Council without adequate consultation of this House. We in this Chamber should agree immediately to make representation to the Council and register the points that have been made during the debate yesterday and communicate to the Council either the agreement or the concern of Members of this House on the various paragraphs included in the report. I regard this report as one of great importance both to the Parliament and to the Community, and it is for this reason that I hope procedurally we will act immediately.

## 2. Votes

**President.** — The next item on the agenda is the vote on motions for resolutions on which the debate has been closed.

We deal first with the *Adam report (Doc. 1-193/81): Machine translation system.*

*Motion for a resolution, Article 1 — Amendment No 5 (1).*

**Mr Adam, rapporteur.** — The committee is in favour of the amendment. It is in fact a committee amendment.

(...)

*Article 6 — Amendment No 6*

**Mr Adam, rapporteur.** — This is a committee amendment which we are in favour of.

(...)

*Paragraph 3 — Amendment No 2*

**Mr Adam, rapporteur.** — The amendment is acceptable.

(...)

*Paragraph 5 — Amendment No 3*

**Mr Adam, rapporteur.** — In favour.

(...)

*After paragraph 7 — Amendments No 5 and No 1*

**Mr Adam, rapporteur.** — The committee is in favour of the Patterson amendment, but is against Amendment No 1 by the Committee on Budgets.

(...)

*(Parliament adopted the resolution as a whole)*

\*

\* \*

**President.** — We move on to the *Dalsass report (Doc. 1-71/81): Regulation setting up a network for the collection of accountancy data.*

(...)

*Paragraph 4 — Amendment No 1*

**Mr Dalsass, rapporteur.** — (DE) Mr President, that which is here proposed as an addition to paragraph 4 is already contained in paragraph 5 of my motion for a resolution. I am therefore opposed to this amendments partly because no special division into mountain areas and plains can be made for Greece. That would no longer be in the spirit of this resolution.

(...)

*Paragraph 8 — Amendment No 2*

**Mr Dalsass, rapporteur.** — (DE) Mr President, in the amendment as it stands, paragraph 8 is almost identical with my text. Only a few words have been changed: 'according to the product groups'. But that is self-evident anyway, since we have the survey forms on holdings, and the surveys are carried out in such a way that there is no need for this amendment. It is superfluous, and I am therefore opposed to it.

*Paragraph 12 — Amendment No 3*

**Mr Dalsass, rapporteur.** — (DE) Mr President, I regret that I cannot support this amendment either, since if one calls only for what it contains, it is in practice less than I call for in my motion for a resolution. In other words, I take the view that all the data, and not only the specific data, must be made available. For on the basis of all the available data one can obtain a better picture of the restructuring necessary in agriculture. For that reason I am against.

(...)

*(Parliament adopted the resolution as a whole)*

<sup>1</sup> The report of proceedings reproduces only those parts of the votes which gave rise to speeches. For details of the votes see Minutes.

3. *Restructuring of economic and monetary policies — Future of the budget of the European Communities*

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

- the report (Doc. 1-256/81), drawn up by Mr Giavazzi on behalf of the Committee on Economic and Monetary Affairs, on the restructuring of economic and monetary policies in connection with the Council Decision of 30 May 1980;
- the report (Doc 1-264/81/corr.), drawn up by Mr Pfennig on behalf of the Committee on Budgets, on the future of the Community budget.

I call the first rapporteur.

**Mr Giavazzi, rapporteur.** — (IT) Mr President, ladies and gentlemen, the motion for a resolution which I have the privilege of presenting on behalf of the Committee on Economic and Monetary Affairs is particularly important in view of its subject-matter, the circumstances surrounding it and the political import of the vote Parliament is about to take on it.

As we all know, the Council's famous mandate of 30 May 1980 — the date when the decision was taken — called on the Commission to submit by 30 June this year proposals for resolving the problem of the imbalances between the Member States by means of structural changes. There was to be an examination of the development of Community policies, without however calling into question the basic principles — common financial responsibility, own resources, agricultural policy — and with the aim of preventing the recurrence of unacceptable situations for any Member State.

What this involves, on the one hand, is an awareness of the urgent and vital need to review Community policy in its entirety, both on its own and as regards relations with the Member States. On the other hand, we have to think very carefully about the outcome of such a review, and our investigations — which should be as thorough as the case requires but as prompt as need be — should be matched by effective, consistent and responsive action by the Community authorities.

The general thinking behind this motion for a resolution reflects Parliament's desire for the Commission to carry out its mandate, not along the restrictive lines of a bookkeeping exercise with the sole aim of balancing what the Member States put into and get out of the Community, but instead by tackling the problems through a wide-ranging and comprehensive approach. This is exactly what the obviously critical situation of the Community requires and it is precisely the reason why this mandate was given.

It is the desire and duty of Parliament to play a definite role at this stage, and I mean from the outset when proposals are being drawn up. This role is one of encouragement and support in the process, of which

this mandate is just the starting-point, towards the essential renewal of the Community. This motion has been tabled in the hope that this process will get off to a good start and make effective progress thereafter.

The motion spotlights four points considered necessary for a revival of the Community: better implementation of existing policies, rational development of common policies, strengthening and adaptation of the Community budget, and synchronization of action and Community and other needs.

The time at my disposal does not allow me to go into these points in detail. For the outline of these points I would refer Members to the motion for a resolution, and to the explanatory statement for their clarification.

The time is better spent in outlining how the options and proposals are based on certain fundamental considerations running through the motion. I mean the need, where existing policies are concerned, for full application, correction of imbalances and waste, and increased harmonization.

Another thing, when it comes to the options available for the development of Community policies, is to favour the Community angle and approach. This means the ability to respond to Community needs, to pool efforts and to achieve the maximum results. Policies have to be designed to correct structural imbalances, safeguard competitiveness and resolve common problems, and all this has to be done with due regard to social aspects, particularly unemployment.

The size and structure of the Community budget has to measure up to the need for a practical and overall Community policy rather than *vice versa*. This means that there can be no external limits to increasing resources, but simply that these should be adapted, sufficiently boosted, to properly interpreted existing and future needs. This should also include control of expenditure and allocation of tasks between Member States and the Community.

Finally, there is the fact that only if policies are adopted and implemented in proper time to meet the needs in question can we avoid the continued existence of destabilizing factors within the Community and ensure that we can maintain external competitiveness and safeguard the Community's role. Here we have to be especially careful to take a fair and balanced view when considering particular situations, as the Community moves towards closer integration on the road to future union.

These are the main elements of the motion for a resolution which is before the House.

I said at the beginning that this motion was also important in view of the present circumstances which accompany the tabling of this document. The institutional situation in the Community, the emergence of



**Giavazzi**

disruptive trends and the continued — and in some respects increasing — existence of too many disparities between the economies of the Member States suggest that there is no time to lose in bolstering Community solidarity, because unless we have this solidarity any attempt simply to alter the course of Community action will certainly be a waste of time. It will also be pointless to complain about things and to look for ways of getting rid of these distortions unless we look for their real causes. At the root of the problem is the halfhearted approach to working together in a serious fashion so that we can overcome the major barriers which exist as a result of real but not insoluble difficulties.

Another thing I said was that there is a special political significance to Parliament's vote on this motion for a resolution. The fact that Parliament — without any procedural obligations, and in the form of an own-initiative report — is ready, as the process of reviewing Community policies gets under way, to offer a comprehensive and useful contribution, and one which I trust is broadly supported, reveals yet again how conscious it is of the mandate received at the time of the direct elections.

This resolution is therefore entirely justified in making an explicit plea to the other Community bodies for the prompt and decisive action which is needed as well as for joint participation in the subsequent phases of this mandate. Parliament is waiting for a suitable response to this plea. When Mr Thorn presented the Commission programme here in the Chamber, he called on us to be watchful and to listen to the people of Europe and to create a structure for dialogue with this in mind. There are few occasions as suitable as this for responding in a definite fashion to such a timely plea. Hopeful but attentive, we trust that the vote which will sanction the future of every Community institution will translate unequivocally our active determination.

*(Applause)*

**President.** — I call Mr de Ferranti.

**Mr de Ferranti.** — Mr President, could I draw your attention and the attention of the House to the fact that there are no Council representatives in their seats? We very much welcome the President of the Commission and his fellow Commissioners. The issue we are discussing is such that if we as a Community fail to deal with it adequately, the entire Community fails. What many of us fear is that we are not going to get through to the Council and get them to understand the importance of the decision they are taking. If they are not even there in their seats, then those fears are confirmed.

**President.** — I call the second rapporteur.

**Mr Pfennig, rapporteur.** — *(DE)* Mr President, ladies and gentlemen, the Committee on Budgets' report on the future of the European Community Budget also deals with the question of the mandate which the Council conferred on the Commission. In the report, we expressed some of our views on how the budget problem can be solved. Solving the budget question means putting forward proposals for re-establishing balance between Community policies and rationalizing their financing.

A problem of this sort can be tackled simply by moving funds around from one item to another and trying to save a little in one area and spend a bit more in another. The Committee on Budgets, however, feels that this is not a solution which can be applied for any length of time because it leads every year to a new conflict between the Community and the Member States or even between the Member States themselves. We feel that a lasting solution to the budget question can only be found if we in the Community think back to what the aims of our Community are. One of the aims laid down in the Treaties is that the Community should work towards economic and monetary union and ultimately towards political union.

This fact has been repeatedly proclaimed by all the various Council and Commission Presidents and, naturally, also been stated by this House — the only thing which has been lacking up to now has been the political determination of Member State governments to put this principle into practice. The budget question can only be satisfactorily solved if new impetus is given to moves in that direction.

It should be quite clear to us all that one of the components of the economic and monetary union which we are striving to achieve in the near future, is, apart from free trade in capital goods and services within a customs union and perhaps something approaching monetary union, in the opinion of the Committee of Budgets, a financial agreement between the Member States and the Community, in which it is clearly stated who in the Community has the power to levy taxes.

My second point is how will these taxes be divided up between the Community and the Member States? What can a financial equalization system do in this connection? Third point, who is responsible for deciding on what levels expenditure will be made and who is responsible for the non-budgetary activities?

We consider that only a financial agreement of this basic type can help towards solving the budget question and clarify at last the situation somewhat. Lastly, we are faced with the problem that the Member States repeatedly tell the Community that everything it does they can do better and cheaper. This means that, as a Community, we are forced to define clearly those areas in which we feel that we can act more cheaply

**Pfennig**

and to better effect than the Member States, in order to arrive at some basis for a discussion.

It is my opinion that in the last few years far too little development has taken place within the Community because people were not entirely sure what ought to be solved at Community level, where even basic criteria remain to be defined, without this costing money and where the Community has to make expenditure in any case. The Committee on Budgets looked into this problem very carefully and has laid down in paragraph 15 of the report, sectors in which the Community ought to carry out expenditure in the future. This, however, is not totally synonymous with those areas in which the Community ought to become especially active. Under the terms of the Treaty, these are much wider in scope. There are however sectors in which the Community can operate even without expenditure, i.e. merely by taking legal or coordinating steps. In paragraph 15 the sectors listed are, therefore, those in which we feel that future Community expenditure ought to be made. We believe that we will in this way arrive at a system in which the Community is perfectly aware that it does not just have to carry out expenditure in these fields but that it must also obviously have at its disposal the necessary funds to do so.

If the budget — perhaps from 1982 onwards — is restructured in this way and thus makes a start at only carrying out expenditure in these areas, then this will mean that we have a rational and rigid system of expenditure and this is, in my opinion, necessary for the Community in view of the spending cuts carried out in national budgets. A rigid system of expenditure means however that a system of financial equalization between the Member States must at the same time be created which will make it possible to transfer resources from the richer Member States to the poorer in accordance with specific rules. We have submitted very detailed proposals on this point which you may all read in the report.

The Committee on Budgets considers that it is necessary, in order to give a more specific form to the budget, that a start be made in 1982 with immediately restructuring budget appropriations by virtue of the list we have given, in order that future expenditure may be predictable. This means, that in all the other sectors expenditure should also be made to tally with appropriations. On the other hand, however, this also means that from then on the Commission must really have at its disposal the money to be able to spend all the Community own resources available in all the policy sectors which the Parliament has recognized as top-priority.

In addition, we provided the Commission with a whole range of individual considerations in order to permit them to reflect on the system of specific-purpose grants, in other words to verify whether this system does not lead to excessive confusion because

no-one any longer knows in what way and to what extent the European Community finances specific programmes. In addition, we asked the Commission to consider how so-called European programmes, for example for the aviation industry, might be included in the budget. We cannot lastingly tolerate a situation in which everything which irritates public opinion, such as for example the financing of the agricultural sector, should be placed at the Community's doorstep, whilst all the more promising aspects, such as for example many aviation programmes, should be financed at national level or by loose consortia outside the framework of the Community.

We hope, ladies and gentlemen, that the Commission will take our suggestions and proposals to heart. In any case, we shall gauge it against our proposals in July when it submits its report and therefore I hope that the report which I have just presented on behalf of the Committee on Budgets, will be adopted with just as large and convincing a majority as it was in the Committee on Budgets.

*(Applause)*

**President.** — I call the Socialist Group.

**Mr Dankert.** — *(NL)* Mr President, the outcome of the mandate of 30 May 1980 forms the basis of both the Giavazzi report and the Pfennig report. In the view of my Group, these are both good, useful reports which contribute both to the debate on restructuring and, above all, towards a longer-term Community policy which should, at least in many respects, indeed be along the lines indicated here. My Group shares the views expressed, since we have repeatedly said here in budgetary debates and on numerous other occasions that, if the Community is to survive the current crisis, a number of aspects of the overall Community policy must be considerably strengthened, that the agricultural policy has gradually become an inadequate basis for survival, that the regional approach must be strengthened and that social policy must be strengthened and revised. We have had several debates on other ways of amplifying and reorienting policy. I am thinking, for example, of the problems of the Third and Fourth Worlds and of the debates on industrial policy etc.

Mr President, the question which must be answered is how Community policy can be steered in that direction from its present starting point. What is the role of the mandate of 30 May in this process and how can this be translated into action? In addition, there are various problems which make the matter still more difficult. I am thinking, for example, of the arrangement regarding the British contribution and the negotiations on the accession of Spain and Portugal, which, because of their economic situation, would be in no position to make a net contribution to the Community

**Dankert**

budget. There is currently talk of maintaining the 1% ceiling on VAT revenue in view of the budgetary situation in the various Member States, and it is under these restrictions that restructuring has to take place. At the same time, the restructuring should take place along the lines indicated by Mr Giavazzi and Mr Pfennig, and I will make no bones about the fact that this will be no easy matter for the Commission, although it is very important since the future of the Community is so much bound up with it. The way in which the Commission, and above all the Council, go about this restructuring operation, and how successful they are, will decide whether the Community will integrate further or disintegrate, and this in turn will determine whether or not the European Union which Mr Pfennig spoke about just now will become a reality. As far as that is concerned, I am very pleased that this Parliament adopted the Plumb resolution this morning since, in spite of all the criticisms which could be made of the quanta, it nevertheless indicates a way of going about restricting the increase in agricultural expenditure within that 1%, thus creating a limited margin for the restructuring which the Commission must bring about without exceeding that 1%.

The Commission's mandate was to carry out restructuring in such a way that a new arrangement for the British contribution would be rendered unnecessary. I realize that this will not be a short-term affair: you cannot simply change everything from one year to the next. Transitional solutions will be required in the form of a financial instrument which provides certain compensations for the United Kingdom. However, judging from the rumours, I am not so certain that the Commission will be able to fulfil the task it has been set, i.e. to make proposals which will provide a solution to the system of net contributions within a few years and eliminate the British problem by means of a restructuring of the budget. The direction which this restructuring must take is clear. Perhaps it is easy for me to say it speaking as a Dutchman — and I shall say nothing about other countries — but it is a ridiculous situation that the Netherlands should be profiting from the Community at the macro-economic level, that Dutch agriculture should be reaping an extra benefit from the Community and that, on top of this, the Dutch budget should also be a major net recipient in the Community package. I might also perhaps mention Denmark, as I think there are no Danes present at the moment, and the situation I have described applies in the case of certain other Member States too. It might even be claimed, therefore, that there are more unacceptable situations on the advantage side than on the disadvantage side, and it is therefore right that the Commission should attempt to make internal corrections as part of this restructuring process, but, it should be stressed, only on condition that these are temporary arrangements which can be relied on to bring us closer to the objectives put forward by Mr Giavazzi and Mr Pfennig in their reports rather than rendering them impossible.

I do not think that this is something which can be decided immediately, the Commission submits its document. It is, I feel, rather a matter which will keep us busy for a few years, since the revision of policies is also involved. A new regulation for regional policy is called for, and a fundamental revision of social policy and the Social Fund is envisaged. This is all necessary and will take time, but, in my view — and, I dare say, in the view of my Group too — the Commission has an exceptionally important task before it here and, to put it quite bluntly, the political usefulness of the European Commission to a great extent depends on this task. It has on occasion been suggested in this Parliament that the Commission should be dismissed, but I think this is a very dangerous weapon which Parliament has in its hands, as it could well prove to be a two-edged sword. However, this is such a serious matter, and if the Commission is not prepared to carry out this mandate in such a way as to progress along the lines indicated in the reports before us, Parliament might well have to give this Commission a serious talking-to since, I repeat, the political future of Europe is at stake.

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

**Mr Adonnino.** — (*IT*) Mr President, ladies and gentlemen, my Group sets great store by this debate on the Pfennig and Giavazzi reports, since we attach a great deal of importance to the answer the Commission is due to submit shortly, in accordance with the mandate of 30 May last year.

Parliament has been intimating for some time its desire to play a part by indicating certain guidelines and plans of action. An example of this was when the House adopted the first resolution on the budget on 6 November last year. Now we have this further example prompted by a couple of motions by two Members and culminating today with the motions for resolutions by Mr Giavazzi and Mr Pfennig. There is no getting away from the fact, ladies and gentlemen, that the background to this debate is one of difficulty for Europe. The Community spirit is flagging, while it is clear that nationalist tendencies are re-emerging. This is why the time is right for Parliament to make a clear statement and this is what it will be doing if it gives its support — as another group did earlier and as I am doing now, wholeheartedly, on behalf of my Group — to what is in the Giavazzi and Pfennig reports, even though the two reports are different in their approach, since the Giavazzi report is more general and outlines the process of coordinating the economies of the Community, whereas the Pfennig report tries to analyse the effects in budgetary terms. The one comes before the other, of course.

It is obvious that Parliament is addressing its words at this point to the President of the Commission and his

**Adonninno**

colleagues, and I think the first point to be stressed is that we feel this debate, and with it the answer the Commission is supposed to give to the mandate of 30 May 1980, must cover a fairly wide range, because it is not enough merely to find a solution to one or two financial problems which may have emerged as a result of the particular calculation of the contributions by a given country, or perhaps by other countries. It is our view, Mr Thorn, that your Commission would have been obliged in any case to act and to propose solutions for this difficult situation besetting Europe. Consequently, the mandate of 30 May serves simply as a starting-point for this general rethinking. An answer has to be found for the specific and unacceptable situation referred to, but this answer has to be found in the context of all the other questions we have to consider at the present time.

This explains why we cannot go along with any attempt to interpret the mandate and the answers to it as a restricted solution to the financial problem or as a starting-point for a discussion on own resources. The problem at the moment is much more extensive and involves concern about the increasing divergence of the economic policies of the Community and the Member States, as well as about the difficulty of restoring the competitiveness of the European economy at the present time. All these problems are linked, ladies and gentlemen. If you are going to start finding solutions for one particular problem without bearing in mind the others, you will end up with piecemeal solutions which of course are not very effective. While I am on the subject, I think I should say something about the diagnosis that has been made as well as about the treatment. It was said that there were some unacceptable situations and we kicked off from there. But I think that the idea of acceptability should be considered in the Community context and that the Commission — this is the view of my group — should therefore take a look at how the situation is assessed and check it out. If you are just going to make a calculation of debit and credit in financial terms to work out what is usually known as the net contribution, I do not think you would be adopting a very European approach. What we have to consider is the whole range of relationships and benefits, or sacrifices, which come with each country's membership of the Community and with the operation of the Community's rules and legislation. You also have to look at the pros and cons of factors which cannot be costed. What I am getting at is that the problem is not only budgetary but — as the Giavazzi report rightly points out — a problem which is much wider than the budget and involving much broader considerations.

I think the basic issue is to consider what the correct relations are between the Community and the Member States, how to correlate Community and national policies and how, therefore, to correlate the Community and national budgets. All this has been touched upon. I know that the Commission has gone into it in the past, but I get the impression it has all been done in a

haphazard manner without any precept — if I may use a somewhat philosophical turn of phrase — as to what the Community policies and action should involve. We have never had any definition of how Community action should be related to action by the Member States so that the individual countries benefit at the same time as the Community as a whole benefits and develops in an organized fashion. This is the point I am trying to make, Mr Thorn. We do not want a Europe which jerks along but one which runs smoothly, and when it runs into difficulties it must of course respond by selecting what has priority and what can be done gradually, and whatever decisions are made ought to be outlined in the document you are going to submit to the House.

As a result, I really hope that the document the Commission is going to draw up will not be influenced by the various ideas which are doing the rounds and which apparently seek to put the Community on ice, by reverting authority to the Member States so that they can carry on with measures which have been implemented at Community level until now and which would instead be relegated to national level, or by delegating authority to the Member States so that they can implement new measures, even though they may be of common interest.

Mr Thorn, before I finish what I have to say, I want to draw the Commission's attention once again to the problem of the proper use of the loan instrument. Both I and my Group have raised this point before in this House, which has backed us up. The last loan floated by two Member States — the main purpose was to fund support measures for energy saving and for advanced technologies — must be brought back under the Community umbrella without any delay, as quickly as possible, and the Commission must do its job and report to Parliament, just as it was asked to do in the actual resolution which was adopted at the time. It is only if we can manage to curb these attempts to resurrect nationalist ideas that we can achieve something fundamental and, I trust, constructive for Europe. Similarly, it is obvious that the problem of own resources can be tackled in a proper fashion only if it is linked to a coordinated programme of economic development, because we should then have an opportunity to consider — and there is some reference to this in the report we are discussing today — a possible shift of power among the countries of the Community. And no one should get het up about this because you would be forced to admit that the purpose and idea behind the whole thing was the construction of this Europe of ours.

The Group and I endorse totally and without reservation the two reports by Mr Giavazzi and Mr Pfennig and we thank both rapporteurs and their respective committees for the work they have done. At the same time, Mr Thorn, we feel that the proposals you are called on to submit provide something of a special opportunity for your Commission, which is only a few

**Adonnino**

months old. I mean the opportunity to pass the test at European level, or else — I do not want to say 'to fail' — to take a step back for which you would be called to account. The proposals you are going to make, Mr Thorn, could represent a feather in the Commission's cap, just as they could earn you a black mark on the road to European union. Naturally, we hope you are going to opt for the feather in your cap and we hope, therefore, that what we are going to get from you soon will be the starting-point for a wide-ranging and fruitful discussion. Mind you, this will have to be conducted in the light of the ideas I have outlined, ideas which mean a lot to my Group. We shall then be able to go into detail about the individual proposals we are expecting to get from you, because of course this is not possible at this time when Parliament is simply giving a rough indication of what it thinks. I hope that this will just be the start of further consideration and fruitful development of this subject. With these words I want to say again, on behalf of the Group, that we endorse and unreservedly support the two reports which are being debated jointly here today.

*(Applause)*

**President.** — I call the European Democratic Group.

**Mr de Ferranti.** — Mr President, the two reports we are considering today are, as Mr Adonnino has said, admirably expressed: we welcome them and we welcome the logic behind them. They relate to a life-and-death matter for the Community. Whilst they express themselves in proper and correct terms, underneath it all there lie the survival of our Community and the very human problems which they represent. I am pleased that Mr Adonnino stressed that this is not just a budgetary matter, nor is it just an economic matter: it is a matter that affects our whole way of life in this part of the globe.

Could we, just for a minute, try looking at it from the side, in, perhaps, more human terms? Could we just think that when the Community started, the biggest single problem that had to be solved was the dramatic change in the employment patterns in agriculture? It was therefore right and proper that the Community's central policy should have been an agricultural one and it is indeed appropriate today that we should have voted for a degree of progress in a policy which has done a truly remarkable job in helping families throughout Europe change their employment pattern without undue social stress.

But the problem that we, the Ten, face now is different from the problem faced by the Six. The Ten have to face the fact that with modern technology there is a change in employment patterns going on in every single sector of the Community: not just agriculture, not just industry, not just services, but all of them are finding a new pattern of employment with which they

have to cope and therefore more and more people are having to cope with the social stress of changing their jobs. None the less, we have the CAP, and because of it we do face the possibility of unacceptable situations which have to be coped with. We have the social and regional and other policies which have been started. They help, of course, with this process of job-changing, but they are not enough. We have to look further and everybody agrees, in every speech, that there must be some additional mechanism. Well, the search for the mechanism, like the search for the source of the Nile, has been going on for a long time: many great names have been involved — Marjolin, McDougal, Mr Lange, and now in a recent speech in The Hague, Sir Geoffrey Howe — but they do have difficulties. Sir Geoffrey Howe's own suggestions are that contributions should be limited — fine, we all know that — and that there should be transfers from rich to poor — fine, we all know that — but they are not good enough. We have to accept the challenge that we have got to do better with whatever mechanism is proposed. I know Mr Pfennig likes the idea that there should be some form of payment by results: some actual results should have been seen to have been achieved before a financial mechanism operates, and if those results relate to the actual human problem that each family faces when they change their jobs, then perhaps we are onto the right lines. My Group is moving an amendment to Mr Pfennig's report in which we try and illustrate, anyway, how this problem could be resolved, and we ask the Commission to look at it. We are not suggesting that the Parliament commit itself to it, but we think the idea of proposing a new and more imaginative mechanism which embodies the idea of payment by results of some kind is well worth going for.

The suggestion is that the payment should be made on the basis of the numbers of people changing their jobs. A contribution from value-added tax, based on the number of people changing their jobs, should go to those countries with a below-average GDP. Now, really, it is not for this Parliament to propose detailed mechanisms, but we can, at least, point the way. If we do so, we can imagine the whole process of discussion going on through the Commission and the Council, ending, perhaps, in another punch-up amongst the prime ministers. None the less, there would be a process of discussion and evolution of policy in which this idea of going beyond just transferring wealth from the rich to the poor and just limiting budgetary contributions might perhaps be picked up.

After all, what are we talking about? At the end of all the arguments, payments will have to be made from all Member States to, in the first instance, the United Kingdom, to Italy, to Ireland and to Greece. If the payments are by results, I suspect that the United Kingdom will very soon go above the average GDP per head and will very soon become a contributor, and then, along with the other countries of above-average GDP, it will be able to help with its contributions to

**de Ferranti**

Italy, to Ireland, to Greece and then to Spain and Portugal when those countries join the Community.

It is rather a simple message, Mr President. It is a message not of detail but of fundamental principle, that we must have regard to the change in employment patterns and the change in the way of life of families throughout the whole of Europe. If Europe as a whole can contribute to that problem and help Member States with the immense amount they already do to help people change their jobs, then we shall be on the right lines.

May I say to the President of the Commission, to Mr O'Kennedy and to Mr Tugendhat that together with you I am sure we make a most impressive team in being able to get through to the Council. If the Council were just one man to whom we could talk as man to man, all would be well; but the Council consists of 400 Ministers and 10 000 civil servants spread throughout the Community, and it is no simple task to communicate with that lot. Nevertheless, may I say now how pleased I am that the President-in-Office of the Council is present to hear my speech. I am sorry that he was not here to hear Mr Giavazzi's and Mr Pfennig's speeches, because they were first-class as well. I hope that he will read them with great care, and I hope that, slowly, the message will get through.

**President.** — I would like to associate myself with Mr de Ferranti's words of welcome to the President of the Council. We are glad you were able to be present. We are well aware that you have been busy with Committee meetings this morning.

I call the President of the Council.

**Mr Van der Mei, President-in-Office of the Council.**

— (NL) Mr President, I understand from Mr de Ferranti's closing remarks that he was somewhat disappointed that I was not present at the beginning of this sitting. First of all, I should like to point out that I attach great importance to contacts between Parliament and the Council and, secondly, I should like to explain that I had been invited by the Committee on External Economic Relations, the Political Affairs Committee, the Committee on Economic and Monetary Affairs and the Committee on Development and Cooperation to attend a joint meeting at 9 o'clock this morning on the agreement which has been concluded between the Community and India. I am sure, Mr President, that the honourable Member will agree that that is not only an important agreement, but it was also an important meeting, and it was this invitation which made it impossible for me to be here at 9 o'clock this morning.

**President.** — I call the Communist and Allies Group.

**Mr Leonardi.** — (IT) Mr President, ladies and gentlemen, I think the Commission is definitely going to have a difficult job carrying out a mandate which has to be described as contradictory rather than ambiguous, with its demand for structural changes while meeting the financial commitments for existing policies funded by the Community's own resources. This is particularly true in the case of the common agricultural policy, with its pricing policy that runs counter to the idea of structural change and swallows up the lion's share of our own resources. What is more, we are not supposed to exceed a ceiling which everyone considers too low.

It is quite clear then that if we want to achieve something of note — and the rapporteur said this — there cannot be a restrictive interpretation of the mandate along the lines of a bookkeeping exercise designed to balance out the Member States' contributions, but instead there has to be an invitation to put forward proposals relating rather to the overall restructuring of Community policies.

In this sense we agree with the rapporteur and with many other Members who have spoken in this debate. The mandate is simply the result of one of these innumerable compromises which are destroying the life of the Community. We therefore have to try to find proposals of an overall nature so that we can emerge from the critical situation besetting the Community. So far, so good. But what are we going to do next? In paragraph 7 of the motion for a resolution the rapporteur rightly states that it would be useless, in coping with this situation which is the stumbling-block on the way to achieving the objectives of greater development, balance and stability set by the Treaties, to have a restrictive interpretation of the proposal for structural change and that on the other hand there is a clear need for a qualitative leap. In the paragraphs which follow the rapporteur lists the measures necessary to carry out what is proposed.

We have basically no objection to any of this, and it is for this reason that we have not tabled any amendments. What worries us is that the whole thing might be seen simply as a repeat of what this Parliament has said so often in the past and of the excellent studies and reports referred to in the annexes. There is no lack of proposals and studies on individual problems. What has been missing until now is the proper commitment to give an overall significance to the various proposals for the qualitative leap we are hoping for.

It is by laying the groundwork for the creation of this political will that we believe the Commission can give a wide-ranging and suitable interpretation to the mandate it has been given. In its capacity as guardian of the Treaties, it can follow the same political path although the circumstances are quite different of course — that led to the Treaties themselves; which at the time were dictated by the need to enable a number of western European nations to adapt — a task they

**Leonardi**

could not achieve on their own — to the changing world situation.

I should like to remind Parliament and the Commission of a passage from the report by the heads of delegation in 1956:

At one time Europe enjoyed a monopoly of the processing industry and obtained considerable resources from its overseas possessions but now, caught between the United States which in almost every sector accounts for half of world production on its own and the State-trading countries which have a third of the world's population and which are increasing production by 10-15% per year, Europe watches as its external power weakens, its influence declines and the opportunity for progress is lost as a result of its divisions.

I think this should be remembered at this time of crisis in the Community. The crisis stems from the Community's growing inability to adapt to a world context which is increasingly fluid and constantly changing. There is no way we can hope to get anywhere with an increasing outflow of resources, a very high rate of unemployment, inflation, internal divisions and the risk that the strongest are worried only about saving their own skins. What is at risk here is not so much our standard of living as our actual democratic system, which is beginning to resemble authoritarianism more and more.

It is for this reason that we have consistently urged the Commission to prepare a report on competitiveness, by which I mean the ability of the Community as a whole and its individual Member States to adapt to the world around us. There does not seem to be any reference in the motion for a resolution to this or similar ideas on the determination to bring about overall reform. We feel the motion is open to too many different interpretations. We are therefore eagerly awaiting the Commission proposal and for the time being we prefer to abstain from voting.

**President.** — I would like to take this opportunity to welcome the British Minister, Mr Hurd, whom we shall get to know better in the next six months, since the British presidency begins on 1 July. I am glad that Mr Hurd was able to be here for this debate, so that continuity is maintained between one presidency and the next.

I call the Liberal and Democratic Group.

**Mr De Gucht.** — (NL) Mr President, in the mandate conferred on the Commission by the Council on 30 May 1980, it is stated that the disparities between the Member States may best be remedied by means of structural changes which are, of course, subject to certain restrictions. With a view to maintaining peace in our Community, the Council has designated a

number of principles and arrangements which are to be regarded as sacrosanct. These include the financial independence of the Community, on the basis of the Community's own resources, and the fundamental principles of the common agricultural policy. However, this does not mean that the mandate only provides scope for budgetary technicalities with a view to defining the contribution problems in a way which will be acceptable for all the Member States. The term 'structural changes' does in fact imply more than altering a few procedures. That it is extremely difficult to bring about changes, innovations and improvements in the current economic situation — particularly the oil crisis and its consequences, the high level of unemployment and the budgetary deficits, etc. — is self-evident. These difficulties must, however, be matched by a greater political will which the politicians owe to the future of Europe.

The Liberal and Democratic Group takes the view that the changes must involve more than merely the budgetary demands made by Member States such as the United Kingdom or the Federal Republic. It is oversimplification to talk about getting too little and paying too much. The Community has arrived by means of joint decisions at a system of own resources, whereby certain revenue and all expenditure are designated as Community budgetary items and as such are no longer the concern of the individual Member States. There is no going back on this. The Commission's mandate does not permit this approach and procedure to be called into question. It is unthinkable that the running of the Community should be dependent on conditions laid down by national governments, since these only bear a temporary responsibility, regardless of how they are made up. The rapporteur of the Committee on Economic and Monetary Affairs rightly stresses that the convergence of the economic, budgetary and financial policies of the Member States must become a reality before we can think in terms of economic union. Before devising new decision-making structures and procedures, it would be useful to optimize the implementation of the existing policy. Together with the proposed industrial policy, budgetary problems naturally constitute the most important subject dealt with in this report. A budget is, of course, only a reflection of the policy to be conducted. First of all, the priorities are drawn up, after which one must get hold of the necessary funds. A budgetary policy which only permits decisions on the basis of excessively limited resources is not worthy of the name 'parliamentary activity'. The fact that the Commission must carry out this mandate within the 1% VAT ceiling clearly leaves no scope for Community initiative.

As long as the national authorities meeting in the European Council or the Council of Ministers continue to determine the scope of Community activity on the basis of the budgetary and financial difficulties facing their own countries, the European Community will never make any real headway.

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

**Mr Deleau.** — (*FR*) Mr President, ladies and gentlemen, the importance of the mandate of 30 May is obviously clear to every one of us in view of its political impact and exceptional significance for the future of the Community. The rapporteur pointed this out earlier.

But what is it all about and what is the exact scope of this mandate of 30 May which the Council gave the Commission? At this stage in the debate I think it would be a good idea to mention this again, to outline the circumstances and the scope of the mandate. The Council instructed the Commission to submit proposals for a restructuring of the Community budget before the end of June 1981. The development of Community policies was to be examined but this examination was not to call into question either the common financial responsibility for these policies which are financed from the Community's own resources or the basic principles of the common agricultural policy. The purpose of the examination, bearing in mind the circumstances and interests of all the Member States, was to prevent the recurrence of unacceptable situations for any Member State. Finally, the Council confirmed the conclusions adopted by the Council of Ministers of Economic Affairs and Finance at the meeting of 11 February 1980, which included reference to the 1% VAT own resources ceiling.

That is the general outline of the mandate. Naturally, it can give rise to different interpretations, either a restrictive interpretation or an overall one. The rapporteur has rightly opted for an overall interpretation and has rejected the restrictive and exclusively budgetary option. It is necessary to make this clear, because it is the basic feature of Mr Giavazzi's report. The fact is that common policies must lead to more widespread convergence of our economies, although there can be no doubt that the economic crisis has not been conducive to the convergence of national policies or the formulation of a genuine Community policy. There is no getting away from the fact, of course, that our governments have tough choices to make, what with never-ending inflation, unemployment and the downturn in the economy. We see that economic divergence has brought unwelcome results, especially on the social level. There is still divergence in Europe of the Ten, due to the lack of any agreements among the Member States.

Can it be said then that the Community is incapable of adopting common measures to combat unemployment? The question arises but I shall not go into it for the moment. As a matter of fact, the current situation is the result of the lack of any clear definition of economic objectives and the lack of any kind of obligation as regards the policies which are drawn up jointly. You have to recognize that when things were

going well between 1960 and 1974 the Community never had any overall economic or social policy. We are aware that the disparities between the economic circumstances in the various Member States — and these disparities are caused by structural differences at the outset and by varying degrees of dependence on imported oil — make it very difficult to make the objectives of economic policies converge, whether on the structural level or on the short-term economic level. In our opinion, the existing procedures are inadequate because all we have is a consultative system which leaves the Member States free to pursue any policy they like. Their commitment is nothing more than a statement of intent in line with the joint policy guidelines.

I know the Community cannot move mountains. Its budget accounts for barely 1% of Community production. On its own, the budget cannot serve to align the economic situations of the Member States. Consequently, we must be careful not to shake everything up and we must watch out that, with reform as the excuse, we do not bring it all tumbling down, as some people would want. The foundations of European policy are the common policies, especially the common agricultural policy. This policy has to be safeguarded and if any reform is conceivable, it must not affect either the principles or the mechanisms. There are just some anomalies which should be removed. Basically this means plugging the loopholes which exist when Community preference is disregarded. What we have to do above all is to firm up the common policies by selecting alternatives, because as things stand at the moment with the economic crisis, shortages mean we have to be selective, especially in the energy field. What we want for the Community is a consistent policy of supply and demand as regards energy resources. Another thing we want for Europe is a greater boost for the key industries on which future development depends.

Choosing the best course also means putting an end to waste, and this is why we are really making a plea for a genuine trade policy to act as a stimulus to exports and incorporating Community reference prices below which customs duty should be levied. This is how common policies should be formulated in future so that we get maximum efficiency from every sector of industry and business in the Community. This is how, by collaborating with the Member States, we can achieve greater convergence of economic action with, as our main goal, a more common level of prosperity among the people of the Community. This is the path that Europe has to follow on the road to social progress and in the attempt to make our economies broadly converge by developing common policies. The rapporteur spotlighted these various ideas and he is to be congratulated for it. As a result, the group on whose behalf I am speaking here, the Group of European Progressive Democrats, will be voting in favour of the Giavazzi motion for a resolution and the report drawn up by Mr Pfennig on behalf of the Committee



**Deleau**

on Budgets, on account of the contribution they can make to the construction of Europe if the Community authorities are ready to act on them.

IN THE CHAIR: MR VANDEWIELE

*Vice-President*

**President.** — I call the non-attached Members.

**Mr Pasmazoglou.** — (GR) Mr President, I wish to stress the importance of the matter we are dealing with and the positive aspects of the Giavazzi report. The peoples and governments of Europe are all trying to cope with an acute problem of recession, economic stagnation, unemployment and inflation. I think that this House must proclaim the message that these serious problems facing the nations of Europe can only be tackled by the European Community as a whole. It is impossible for individual governments and countries to tackle them.

Following on from this, I wish to stress the following political positions, since these problems involve far-reaching political decisions, which — I am bound to say — have not yet been taken either by the individual governments or by the European Parliament or rather the European Community.

Firstly, if we are to tackle jointly the problems of economic stagnation, unemployment and inflation, we must act jointly, which means that the proportion of Community expenditure in relation to the total national product of the Member States will have to increase constantly and must neither remain constant nor, of course, decrease. This means a new concept in the economic and financial policy both of the Member States and of the Community as a whole. That is my first point. Secondly, there must be an alignment, a process of harmonization of the economic and financial policies in all the Community countries. Instead of saying that there are problems involved in doing this, we must start off from the opposite position by saying that this harmonization is a necessary precondition for overcoming the problems of economic stagnation, unemployment and inflation.

Thirdly, the 1% VAT ceiling as the set limit for the Community budget must be raised. The Community budget needs to be imbued with a new set of priorities aimed at achieving a new agricultural policy in accordance with what we have discussed: a policy seeking to limit the regional and social inequalities within the Community and at the same time priorities which give emphasis to productive investments and the activation of the Community.

These objectives must be reflected in the Community budget. And, lastly, I should like to stress that we agree with the basic positions set out in the Giavazzi report, but at the same time I should like to stress the basic decisions of policy which are needed if we are to overcome jointly — and that is the only way we can do it — the great problems of economic stagnation, unemployment and inflation, which, with their very serious international implications, are the most acute problems facing the peoples of Europe.

**President.** — I call the Committee on Economic and Monetary Affairs.

**Mr Moreau,** *Chairman of the committee.* — (FR) Ladies and gentlemen, this debate and the adoption of the careful and realistic report by Mr Giavazzi should provide an opportunity for us and for Parliament as a whole to reiterate our belief in the need for a revival of the Community on a solid and realistic basis and, at the same time, for an expression of political will with regard to more realistic cooperation at the European level.

The mandate which was issued on 30 May 1980 was prompted by the financial difficulties cited by one of the Member States. Be that as it may, the committee felt then that it would be a good idea and that it ought to tackle more than the problems of the budget, which are of course important but which are naturally not the only problems the Community has to face.

It is now time to take stock of things and we feel it should be done without delay. This debate is being held, in fact, at a time when disillusion and scepticism are gaining ground among the general public in our various countries and also, I might add, among one or two Members here. Questions are being asked about the usefulness and efficiency of such a set-up. The committee is very aware of this attitude, which incidentally it deplors. We cannot tolerate letting this feeling of impotence develop, especially when it comes to the problems of inflation and unemployment. Letting things go on as they are would be tantamount to admitting the collapse of the basic ideas on which this Community is founded. It is quite obvious what is happening. We are heading for an insidious breakup of the kind which is sapping the energy of Europe and, consequently, its political influence in the rest of the world. Mr Giavazzi's report points out that what we need is a qualitative leap, taking a realistic approach but also one that shows as much awareness as possible of all the challenges we must squarely meet. The concept of the essential convergence of our economies has often been championed in this Chamber but it is making very little real progress. I should be inclined to say that in some respects we have even seen some loss of ground over the last few months. Unless we can achieve convergence, we shall never be in a position to exhibit the internal and external solidarity which is the

**Moreau**

basis of the Community and which, to my mind, provides the impetus for the progress which people have been talking about.

This explains why the committee is pushing the implementation of existing policies — an essential factor — and the rational development of common policies. The committee believes that the Community budget must be restructured and reinforced. The budget is an instrument to serve policies, however. What we have to do is to consider the opportunities existing at the present time for upholding and developing the principles of the Community and for binding it together. We have at our disposal instruments which are suitable for use in a Community context, and these are instruments which help to create feelings of solidarity and to correct the examples of unfairness which are detrimental to the further development we all want.

Apart from the institutional or legal difficulties which are plain to all of us, there is a vital need for the effects of Community initiative to be felt at the industrial level, in advanced technology sectors as well as in industries which are in trouble or at risk.

We are often talking about the energy crisis and here we have to be more forceful in according priority to these problems. We have the instruments for it. We feel in particular that we need to make the most of the Community loan facility and give full rein to the new Community instrument. We need to take a close look at the Social Fund and overhaul it so that it becomes a genuine means of reducing inequality but at the same time a vital aid in a bold and forthright policy to provide more jobs in the Member States. The same goes for the Regional Development Fund.

At a time when Europe is besieged, as it were, by so many urgent problems — just consider the interest rate war, the rising dollar, the export policy of countries like Japan — it is essential for the Community position to be voiced. One or two Member States, because of the difficulties they are encountering, are tempted by individual solutions to these problems, or at best by a bilateral response. The committee is quite adamant in considering this to be a risky solution. It leads to a more and more evident breakup of the Community and will have, or could have, perilous consequences for everyone in Europe.

Let me end by saying that the committee hopes that the Commission and the Council of Ministers will take note of the debate which is going on here at the moment and that the report we are going to get will reflect the proposals put forward in Mr Giavazzi's report and that the report will trigger off a real revival, which is needed for the construction of this European Community of ours. If this is the case, our work will have been justified and worthwhile. Parliament and the committee would have achieved something useful. I trust it will be so.

**President.** — I call the Commission.

**Mr O'Kennedy, Member of the Commission.** — Mr President, the report of the Committee on Economic and Monetary Affairs presented by Mr Giavazzi interprets the mandate as an invitation, and I quote, 'to put forward proposals relating to the overall restructuring of Community policies rather than simply correcting individual national positions in purely budgetary terms'. That is the burden of the report and the burden of the contributions which I have heard this morning so far. And I might tell Members that I already have had the opportunity of discussing the report with Mr Giavazzi and of course with the Committee on Economic and Monetary Affairs at their meeting in Brussels some weeks ago.

As you know, the Commission will soon be presenting its report to the European Council. Understandably, then, we are somewhat constrained in the comments we can make on the report and on the contributions so far at this stage. But I hope I can say with a degree of cautious optimism, having regard to the content of the report and the contributions from Parliament, that I believe the Commission's report, when presented, will be welcomed by the Parliament. I say this because of the overall approach to, understanding of, and concern for the problems facing Europe which the Commission's analysis, I believe, will demonstrate and which closely reflect the positions presented in the report and in the contributions from Parliament so far.

Our joint task is to ensure that we strike a proper balance which enables us to preserve and build on the common policy which we have already, in many cases with very considerable effort, achieved — the *acquis communautaire* — and at the same time to find the scope for the implementation and strengthening of existing policies and implementation of new policies in areas such as energy, research and development and industrial innovation. What we can do here is obviously severely constrained — as has been mentioned in the report — at this stage at least by the 1% VAT limit and here the Commission notes the position, the clear position, taken in the report, and I quote from it, 'that an increase in own resources is essential'. I cannot anticipate what the Commission's decision will be, but I can, I suppose, refer back to what President Thorn said in his inaugural address to this Parliament on behalf of the Commission, namely that Europe cannot be a 1% Community.

The resolution also stresses the need to improve the decision-making process of the institutions of the Community. I only hope at this stage that, by setting a proper framework for the development of policies for the future of the Community, it will be easier to take effective and expeditious decisions on individual policies at Council level and between the institutions, wherever appropriate. This is important, because we have seen some evidence of problems at Council level

## O'Kennedy

where national interests have on occasion in recent years — and I say this with some personal experience, having served in the Council — tended to take some degree of precedence over Community interests. I believe for that reason that, if we can create a framework — and that is what we are concerned to achieve — for solving particular problems which may arise from time to time for individual Member States — they have arisen and they are there at the moment — then, far from signalling the end of a process it will be the beginning of a new process in the current stage of the development of Europe, for a stumbling-block will have been removed to the process of decision-making in the Council as a whole.

Your resolution also, in its examination of the development of policies, takes as a starting-point and, I believe, properly, the position of the Community in the world. We have obligations, for instance, which were enshrined in the Lomé Convention. We have the capacity to make a major contribution to a new and balanced world economic order. We are not an isolationist bloc: we account for 40% of world trade, while the United States accounts for 18% and Japan for 7%; but we urgently need to be much more conscious of this and to pursue, as Parliament rightly states in its resolution, an external economic policy of appropriate weight and quality. The choice we face is whether Member States should pursue their narrow, national and short-term interests in foreign trade or whether we should make again, in the words of the resolution, the response to competition from foreign economies a matter for the Community. The importance of the United European role was underlined most emphatically in the discussions which the President and Members of the Commission had this very week with the Japanese Prime Minister. In recent times, there has unfortunately been a growing tendency on the part of Member States to negotiate separate trade arrangements on a unilateral basis. This is regrettable, and while it may seem to be in their short-term interest, I think Member States must be encouraged, if for no other reason than the pursuit of their ultimate self-interest as distinct from their short-term interest, to support the institutions of this Community in promoting and protecting our common interest, which is the only guarantee we have in this field. The Community is obviously facing an uncertain future. The prospects are that medium-term growth will be limited, that unemployment, which is currently at 8% — an all-time record for this Community — will grow and that regional disparities will continue to increase. Well, if we do not act together in the face of all of these challenges from without and within, if instead we only react in an *ad hoc* fashion, the gloomiest of these prospects may become a terrible reality. In the mandate report, as in your own resolution, the Commission will be examining how best to use the instruments and resources at its disposal in order to face up coherently and effectively to this future.

There is much room for improvement in the implantation of existing policies. We cannot, for instance,

allow ourselves the luxury and indiscipline of failing to coordinate properly what is done at the Community and national levels. We need to be more careful to identify priorities and to ensure that our actions are carefully tuned into and targeted towards these priorities. The era of fragmentary interventions, of the dispersed use of Community funds, has ended. Obviously, we must again combine the different Community instruments in an effective, integrated way in order to achieve a real impact.

These considerations all point towards a strengthening of the Community structural policy. The Regional Fund, for instance, that fundamental expression of the notion of Community solidarity, will play an important role in this process of readjustment. It presently covers some 38% of the Community population, and more could be done to concentrate its interventions in the areas of greatest need: but its overall size also needs re-examination, as you rightly point out in your resolution. You will have noticed that the draft budget for 1982, presented recently by my colleague, Vice-President Tugendhat, allows for a 25% increase in the Regional Fund and a 40% increase in the Social Fund. The Social Fund must be given its central role in the battle against unemployment. Although the resources of this fund have grown, it can only be truly effective if it underpins those overall economic policies of Member States which are geared to maximize employment opportunities. By itself, it can obviously achieve little.

In this connexion we shall be paying particular attention to the problem of youth unemployment. Much more needs to be done to reorganize the transition from school to work and the provision of training and employment opportunities. The needs of young persons — 15% of the total unemployed of this Community — must be responded to and measures to deal with their problems will have to be substantially strengthened.

You call in your resolution for a greater control of agricultural spending. This has been a priority of the Commission over the past few years, a priority and an achievement which sometimes, I think, is ignored, for over the past few years the Commission has, through prudent management, kept the growth of agricultural expenditure well below the growth of other policies and within the limit of the Community's own resources. In the Commission's draft budget for 1982, for instance, which was presented recently to the budgetary authority, agricultural expenditure falls to 62% of the total budget. You have already devoted a considerable part of your business this week to discussing the CAP, and so I do not intend to go into that matter in detail now; suffice it for me to say that the European Council gave the mandate to the Commission on the basis that we should respect the principles of the common agricultural policy and not call it into question.

Our proposals here come at a time when I think we must recognize some other realities. First of all, over

**O'Kennedy**

the last two decades we have seen a drop in the number of those engaged in agriculture from 20 million to 8 million, while right now in the Community we have, as it happens, 8 million unemployed. We must immediately recognize that a further reduction of agricultural employment would have serious consequences not only for agriculture but also in view of the lack of employment opportunities elsewhere in Europe at this serious time. Moreover, we are living in a world where there is an ever-increasing need for food, a world characterized by hunger and want, and obviously our proposals, fashioned as they are in that climate, must take account of these circumstances.

Clearly, the development of policy, the introduction of new policy areas and the prudent management of agricultural expenditure, would allow for a greater degree of balance in the costs and benefits for the different Member States; but to develop the policies that are required for the 1980s while at the same time relieving the problems of individual Member States — and they are there — is extremely difficult, as the resolution acknowledges, with the resources currently available to the Community. It is indeed difficult in this regard to disagree with the hope expressed in your resolution 'that the size and structure of the budget should measure up in a practical and realistic way to the need for practical implementation of overall Community policies'. The budget, as we all agree, is an instrument of policy, and such adjustment mechanisms as we may be obliged to adopt either now or in the future should be seen in that light. Moreover, if we ensure that they are in harmony with the evolution of policy, there will be evidence of a capacity for flexibility and solidarity on the part of this Community which would augur well for its future.

The past six months are indeed just the beginning of a process. We have much work to do together here in Europe. I want to underline this point very emphatically since, given the breadth of the mandate exercise and its crucial importance for the future of the Community, it is vital that all our institutions — Parliament, Commission and Council — should work together effectively.

You have shown the way forward here today, as indeed you did already in committee. The Commission is extremely grateful to you for your contribution, which was, and is, a significant source of ideas and suggestions to us. The process of dialogue and debate between the institutions on this issue will from now on assume a new dynamism. This process is essential if we are to develop and strengthen the political will of the Community and ultimately to emerge from the mandate exercise as a more cohesive, relevant and effective Community. The Commission is indeed grateful to the Parliament for its report, and it looks forward to an even more intensive dialogue with it over the coming months.

(Applause)

**President.** — I call Mr Colla.

**Mr Colla.** — (NL) Mr President, we naturally welcome these reports by Mr Giavazzi and Mr Pfenig, particularly since, on the one hand, they result from the resolution tabled by the Socialist Group and more specifically by Mr Glinne, and on the other hand because there can be no doubt that they both have very considerable merits and contain some extremely good ideas. We therefore intend to vote in favour of these resolutions. Nevertheless, perhaps somewhat unlike the previous speakers, I should like to make a number of criticisms, since I cannot help thinking that — to put it perhaps somewhat bluntly — the two reports before us in fact represent a sort of catalogue of good intentions, a sort of Christmas message which once more lists all our pious wishes together with a very idealistic view of the future. The great danger, therefore, is that the higher we set our sights the more disappointed and disillusioned we may and probably will be later.

Whether we like it or not, we must realize that rather than being in a situation where we, i.e. all those who support the European ideal, are about, as it were, to launch an offensive, we are in fact in a situation where we are forced to be on the defensive, since it is no secret that certain not insignificant Member States feel that they either pay too much or get too little and generally that the Community should lower its sights a little for the moment.

For this reason, I must, I think, stress that, in failing to make very specific proposals in its own resolutions regarding the mandate conferred upon the Commission by the Council, Parliament is missing an opportunity.

Naturally, a number of principles must be reaffirmed in a context such as this — for example, the rejection of the concept of *Juste retour*, the fact that regional disparities must be reduced through greater harmonization of the economic policies of the Member States, and the need for economic convergence. However, it is idle to hope that all our wishes will come true as a result of this single exercise. It would be far more realistic if we were to draw up a programme for ourselves and endeavoured to move ahead step by step. Above all, it would be wrong to think that this single exercise will be enough to solve all the problems once and for all. Indeed, although undoubtedly an important one, this is nevertheless only one of many jobs we have to do. I think, therefore, that restructuring must be an on-going process, both for the Commission and Parliament, and, I hope, for the Council too, but I do not know whether this is a vain hope.

As I see it, therefore, we would have done better to make a number of very specific proposals, since although both reports refer to specific problems, they are nevertheless couched in somewhat general terms. I

## Colla

shall attempt very briefly to sum up under four headings the area in which attention should, in my view, have been concentrated.

There is the reorganization of the budget and the reorganization of agriculture. Sir Henry Plumb has produced his report, and we are in favour of these proposed improvements. However, we cannot leave it at that. As we have always said, a structural policy must be developed, more appropriations must be made available for the structural policy, the energy policy, the social policy, the regional policy and so forth. However, in our view, the effectiveness of the regional policy and the social policy as they stand leave a great deal to be desired. We are naturally in favour of increasing the appropriations for the Regional Fund and the Social Fund, but this exercise must be used as a first step in examining the effectiveness of the appropriations used for these purposes. I doubt whether they are in fact as effective for attaining the objectives we have in mind as we would wish.

Thus improvements are called for not only in agriculture, but also in the other areas where a certain amount of progress has already been made. Where should the emphasis be placed in future budgets?

First of all, the reports, in my view, fail to place any emphasis on something I feel is of crucial importance for the European Community and Europe, namely the fact that our raw materials resources are somewhat limited. One of the things we could support is scientific research, provided that it is of a kind that takes account of social needs and gives results which can subsequently find industrial applications. I therefore feel that we should place adequate emphasis by means of the European budget on our one major resource, i.e. our brains. Let us develop research. Many things could be said about the current Chapter 33 of the budget. As I see it, placing emphasis on research would be a sensible thing for the European Community to do, whatever learned economic theories people proclaim. It is, I think, a quite simple fact that, if we come up with a good idea as a result of research, we must be able to find the financial resources necessary to develop this idea and afterwards to apply the results at industrial level, which will have a positive effect on the employment situation and even on exports, not only of products but also of ideas. This, as I see it, is a first priority, and if, therefore, we are discussing structural policy and the restructuring of the budget, one of the main accents must be placed on research.

There is another area which must receive particular emphasis in the budget. Every time we meet, we complain about the high level of unemployment and the problem of jobs. Let us therefore, starting with the budget for 1982, consider heading by heading whether increasing particular appropriations will in fact in the first instance have a positive effect on the employment situation. In addition, we must make it possible for

two requirements to be fulfilled. Firstly, there is the need to create jobs and secondly, the need to protect the environment and improve working conditions. The economic situation is bad, and everyone must be called upon to make sacrifices, but people must be offered something in return, such as, for example, improvements in their physical working conditions, and this is something which we will not achieve merely by means of theoretical chit-chat with our institute in Dublin. No, the Community will, for example, also have to encourage investments for the improvement of working conditions which will be of benefit to people working in factories. These investments would in turn create jobs because of the orders they would produce.

Exactly the same is true in the case of environmental protection. The budget contains headings for subsidies for the construction of purification plants etc. This is not only in the interests of the environment in which we live, but is another source of jobs. These are things which must receive particular attention in our restructured budget.

Secondly, there is the energy sector. As we know, the energy situation differs greatly from one Member State to another, and we know how opinions differ and where the conflicts lie. Nevertheless, there are a few areas in which the Community as such can do something about the situation, i.e. the development of alternative energy sources and energy saving. It cannot be repeated often enough that this is the cheapest source of energy. Everyone is agreed on this point. In that case let us by means of the budget stress these elements, which create jobs and are of great importance for our economic situation in general.

This brings me to financing, the third point. Obviously, own resources must be increased, but I do not go so far as those who are trying to suggest that reorganization of the agricultural policy would release sufficient resources for the development of the structural policy which we hope to see. The Commission should, I think, take this opportunity to submit this idea to the Council.

Also, the Community's loans policy should also be developed. We must make more use of the possibilities afforded by the Ortoli facility, such as interest rebates. However, the ideas being put forward regarding an energy import tax could well lead to all sorts of difficulties.

Naturally, our entire institutional set-up needs revamping. Delays are a bad thing and inadequate implementation of the budget is also a bad thing. Parliament must indeed be more meaningfully and directly involved in the implementation of the budget, and the budget must be reflected in policy.

I should like to make a topical observation. We are all so taken up by our European ideal and so convinced of the need for harmonization of economic policy.

## Colla

However, I read in today's *Le Monde* that on 15 June the President of the Commission met the Japanese Prime Minister and that in the next few days there are to be discussions with the Japanese Minister of Trade, etc. This is all well and good, but I see that in the meantime individual Member States are already concluding bilateral agreements with Japan on the import of Japanese cars. I wonder how the Commission will react to these agreements, since they are a slap in the face for the European Community and the Commission, and I should like to ask the Commission what it intends to do about this situation.

I should like to close by saying that my specific proposals do not mean that a number of good ideas should not be developed in the longer term too. I am thinking, for example, of those put forward by Mr Ruffolo in the report by the Committee on Economic and Monetary Affairs. These reports may form the basis for hopes for the future. I hope the Commission takes the same view. We expect a lot from the Commission in this respect. I hope the Council, which was absent here today, will also take note. The representative of the Council came in for a moment, went away again and has now come back. I hope the Council's European policy will have greater continuity than its representative's presence in this House.

**President.** — I call Mr von Bismarck.

**Mr von Bismarck.** — (DE) Mr President, ladies and gentlemen, because of the short time available to me I am forced to depart from my usual politeness and say what I have to say bluntly, without however expressing the slightest value judgement on anyone whatsoever. We are all good Europeans in this Chamber, and if I now address the institutions, I ask those who represent them not to feel they are being judged personally.

Above the entrance to Freiburg University, which is not very far from here, one can read the following fine phrase: *Truth shall set you free.* Ladies and gentlemen, I think that we have reached a point when we must talk about truth and Parliament must ask itself at this time if the Commission is brave enough to express those truths which go to the very heart of all the shortcomings which have been mentioned here. We must urge the Commission forward and perhaps even exert political influence so that these truths can now be revealed before it is too late.

I should like to put some questions which will elucidate my meaning. What point has been reached in that European Union which we have constantly been promised since 1974 — I would ask the Council to pay attention and my fellow Dutch Members not to disturb the Council during my speech. Is it not true that any job left unfinished is no job at all? Is the Council not just as aware of this as we are? What

point have we reached in the European market? Are we not all aware that it does not exist, that many States continue to place obstacles in its path everywhere, that these are multiplying as time goes on and that we are fighting a losing battle.

Are we not all aware that this incomplete market is the main reason why we are no longer competitive at world level? What point have we reached with the budget? Are we not all aware that it is much too small in size to be able to exert any real influence on economic trends? Is it not true that this mini-budget is totally incapable of meeting the demands which we constantly address to the Commission and the Council? Can we not see that the Treaties provide for a market economy with obligations in the social field whose preoccupation it is to prevent any growth in unemployment? and is it not true that at the moment this is hardly possible at all, and that we do not have the financial instruments to do it? and what about the truncated European Monetary System? is there one specialist who is not aware that an unfinished European Monetary System increases the dangers and does not reduce them and who is not aware that the statistical chance which means that it has succeeded for two years in no way guarantees that it will succeed in future?

Let me ask you to read the Ruffolo report! What is the Council or the Commission doing to bring home this truth to public opinion? The inhabitants of Europe think that everything is fine. But, in fact, the danger is growing from year to year, and perhaps from month to month. How close are we to realizing the real causes of unemployment, and the need to have a budgetary, incomes and monetary policy since monetarist policy alone can under no circumstances rid us of this evil? How much closer are we to granting the Council and Commission's request for powers to be able at last to use these instruments?

What becomes of all the brilliant Commission reports we read?

These reports are discussed in Council, but the Council cannot manage to draw any conclusions from them. Why not? Because the Council itself neither believes in the future of European Union or nor feels that it has been decided once and for all, even though it repeatedly takes decisions in this sense. All the Members of the Council are subject to the weak positions they have in their governments. We are constantly afraid lest one of these governments collapse. How can such weak governments do any more than worry about their own fate?

We, the representatives of 270 million European citizens, must ask ourselves if we are doing our duty, if we are present when the important question we are dealing with today is under debate. Are we all aware that each of us is not just responsible for his own country, but just as responsible for Italy, France, for

**von Bismarck**

England or Ireland, but is the truth not rather that we all speak as if we were only the representatives of our own country in this House? Are we aware that we are just as responsible for Spain and Portugal who are candidates for entry to the Common Market as we are for our own countries?

If we know all this, then we really ought to ask the question 'What is expected of Europe?' No-one wants us to make clever speeches in this House, but they want Europe to gain the power to carry out its tasks. In my opinion, this is the basic question which ought to be transposed into our policies. Do we have the necessary extent of power to meet the demands which we place on the individual components of the Community? Unfortunately, since the Market began, the Council has become in the eyes of the public the symbol of political impotence. One might almost come to hope that at least politically speaking a 'morning-after pill' might be invented for mankind. However this is not the case, but it is their dependence on their national parliaments which is the real reason why the Council can do nothing. All those noble representatives we know so well are bound by the wrong decision-making procedure, and from the decision still pending as to what should become of us. We have tabled an amendment to these two excellent reports, which we thank their authors for, which makes this quite clear.

The Council does something even worse. There are powers of the Council which, to say the least, give the impression that it would like to make the Commission into a sort of breeding ground for Trojan horses, a regional assembly which gets its instructions from the Council even though the Treaty clearly establishes that this ought not to be the case. The truth is, therefore, that there are thousands of tiny hindrances which prevent the President of the Commission from doing exactly what he would like to do. If this Trojan horse system does not cease to operate, then we shall continue to complain that the Commission does not do what it ought to do — only it cannot do that because the Council does not give it the power to do so.

Ladies and gentlemen, my final exhortation will be to say that the Commission has a wonderful opportunity to carry out a pitifully trifling task, that is to make public these truths, and indeed before Parliament, which will support the President of the Commission in any way it can provided that he has the courage to do this. I shall now repeat in all earnestness what has already been pointed out by other Members. If the Commission does not have the courage to do this, then we shall have the courage to think about whether we ought not to send this Commission — and I say this in the friendliest manner — to the devil, that is back to the source of all lack of courage. We shall have to ask ourselves this question, because our electors now expect us to get the truth out into the open.

**President.** — I call Mr Balfour.

**Mr Balfour.** — Mr President, the reports drawn up by Mr Pfennig and Mr Giavazzi with a great deal of thoroughness and diligence have reached a surprising measure of agreement. They have addressed themselves to the double tasks of the mandate. Now what stands out from these two reports? First of all they call for some kind of financial or fiscal equalization linked to the principle of capacity to pay. This follows the lines originally drawn by Mr Lange and is prompted by the desire to achieve greater social justice in the Community. Who in this House can disagree with that?

Mr Pfennig in particular points to the MacDougal recommendations. He points to the criteria for future economic activity, and everybody who believes in European unity has to agree with that as a long-term objective. Both reports inevitably look for a bigger budget, for an increase in own resources. They both emphasize the theory that we have to spend our way into balance. I have all along suspected that this is ultimately the only road. Mr Colla described this earlier as somehow too idealistic and unrealistic. But isn't it right that just occasionally we should give voice to those ideals?

Let us consider then what we are likely to get. As I see it, there are two alternatives. We either achieve greater balance through more spending, as MacDougal, as Mr Pfennig, as Mr Giavazzi, as this House would like, but we are told that this is most unlikely. We are told it is impossible because it could lead to great excesses. The European Community in short is not trusted by the Council of Ministers. We are told — and I have a speech here from Sir Geoffrey Howe — that we must have qualitative improvement in the Community budget before we can move to a quantitative improvement. How are we to do this? By reducing in absolute terms what we spend on agriculture. Are they going to tell their Agriculture Ministers so to decide at the Agriculture Council meetings, or do we hand back to the Member States part of the overall expenditure? Do we begin to rationalize the European Community's budget? Maybe this is the road ahead, and maybe we need to focus attention on this. Maybe what we are heading for is a fundamentally new function for the budget, where we finance less than 100% of common policies and just contribute in a small way to the achievement of certain Community objectives by partial financing of otherwise nationally financed budgets. This could be backward looking, but it certainly needs further analysis.

What I think is that this Community needs one thing and only one thing, and that is unanimity at Council of Ministers level. We are not looking for diplomacy. What we are looking for is a desire to take us forward, a desire for progress, and we need success. The French Government is now well stocked with committed

**Balfour**

Europeans who distinguished themselves in this House and in the Commission. They will be judged by their acts. All eyes are now beginning to turn to the United Kingdom Government, the next presidency of the Council of Ministers. Will it take us forward? Do they really want to? We need something more than the speech of Sir Geoffrey Howe on 3 June in The Hague. We need more trust and more faith. Sir Geoffrey promised that the Government of the United Kingdom is anxious to see Europe progress still further. We want to play a full part in that progress. I think that what this House should say to the forthcoming President of the Council of Ministers is that we here on this side of the House are determined to use every opportunity to hold them to that promise and to impress upon them that at every turn we in this House will be letting them know how we interpret the notion of 'progress'.

**President.** — I call Mr Baillot.

**Mr Baillot.** — (*FR*) Mr President, can I just recap on the mandate which the Council gave to the Commission on 30 May 1980: developing Community policies, safeguarding the financial responsibility of each Member State, upholding the basic principles of the common agricultural policy, and preventing the occurrence of any unacceptable situations for any Member State. It is the matter of the unacceptable situations which to my mind merits all our attention. First of all, you have to make it clear just what you mean by unacceptable situation. I want to give a few examples by way of illustration of this. First, there is unemployment. Every country in the Community has this problem. There are eight million people out of work and this is unacceptable to our citizens. It goes right against the objectives of the Treaty of Rome. Another thing which is unacceptable: the growing disparity between the countries of the Community and between the regions in each country. And then there are all these imports, particularly farm imports which hit Community agriculture. Naturally, the lopsided budgetary contributions of each of the Member States provide another example of disparity, but the important thing to my mind is to look for the causes of these disparities and to note the consequences of Community policies. These policies, for example, have just made regional disparities worse. Where France is concerned, I am thinking in particular of regions like the North and Lorraine. As for industry, the gap between the European Community and America and Japan is growing all the time in the area of capital and consumer goods. You have to look at all these examples of disparity, not just the financial ones, because these really just mirror more general disparity.

What's the answer? First of all, we have to have policies which are suited to the national level. Any answer which ignores that is happening at national level is

bound to be a failure. At Community level, a right move would be to resurrect the objectives of the Treaty of Rome, primarily the aims of full employment and growth and then the reduction of national and regional disparity. One thing has to be said at this point. The facts have shown that we cannot reduce disparity without boosting general consumption in each country, and this means increasing people's purchasing power, especially those who are worst off. When it comes to the Community budget, we must of course look at the position of each Member State, although this financial review is dependent on the general economic situation and the pattern of trade among them all.

One thing I want to say is that each Member State's contribution is strictly governed by this pattern of trade and economic affairs. This problem of contributions is magnified by the fact that the Community imports a tremendous amount. We should have less of a problem if people complied with Community preference. Let me give you an example: if the United Kingdom were more willing to buy agricultural products from the rest of the Community, its contribution would drop dramatically. What is more — and I have said this here before — a fairer system of protecting Community products would result in new resources for the Community. Why on earth, for example, do we not tax all these imports of vegetable fats, since we all know they only put money in the coffers of the agro-food conglomerates?

What this means, then, is that if we stick more closely to the Community rules we can find new Community resources and level out the disparities between the contributions of the Member States. Another thing is that running ahead has never been and cannot be a policy, even if we are able to take a careful look at every constructive proposal. If you ask me, it is quite clear that this debate on restructuring the budget is just an excuse for those who want to get rid of the common agricultural policy, for those who do not want anything to do with Community preference, and for those who just look forward to the day when the multinationals rule the world. Ideas like this are just going to lead to the breakup of the European Economic Community and its main policy, the common agricultural policy. I just cannot go along with that.

IN THE CHAIR: MR DANKERT

*Vice-President*

**President.** — I call Mrs Scrivener.

**Mrs Scrivener.** — (*FR*) Mr President, ladies and gentlemen, I want first of all to congratulate the



## Scrivener

rapporteur, Mr Pfennig, for the wealth of information in the document he presented earlier. But I do wonder whether this part-session was the right time to present this report. What I mean is that I think it is perhaps a bit late if the Commission is actually going to pay any attention to it with regard to the mandate it is supposed to fulfil by the end of the month. Or perhaps the report has come too early, because the European Parliament will have an opportunity to have a detailed look at the Commission proposals.

Whatever the case, and to get down to the substance of this report, my first remark will be fairly general. In trying to deal wholesale with the problems connected with the future of the budget, the report has not always been able to go into them properly, which is a pity. Would it not have been a better idea to stick to one or two basic aspects?

In view of the time I am allowed, there are one or two specific points I want to make. First of all, let me say I agree with the Committee on Budgets which feels that the key to renewed efforts for the construction of Europe must be the manifest political will of the governments of the Member States. We all know, there is not much of this political will about at the moment, and you have to acknowledge that the Community budget cannot make up for the hitches which have occurred in the decision-making process.

Mr Pfennig rightly points out in paragraph 13 of his report that all the powers conferred by the Treaties have not been exploited hitherto to the desirable extent. It has not been realized enough, for example, that certain things can be done or coordinated without this necessarily involving expenditure at the level of the Community budget.

There are some sectors — and Mr Colla mentioned research and energy earlier — where we think this would be a good ploy, and at a later stage it would enable us to develop genuine common policies. In other words, we have to shake our ideas up. Things are too often left as they are, and I think it is time we adopted a much more vigorous approach.

Against this background we have to go for options which, on the one hand, deserve to be financed solely by the Community and, on the other, need joint funding together with the Member States. It is obvious that on this point, too, I agree with the conclusions of the Committee on Budgets. On the other hand, I cannot really go along with the proposals on financial equalization and distribution of public revenue. I am more than sceptical about the feasibility of using income tax and company tax as Community revenue in the future.

By way of conclusion, Mr President, I just want to say that I am really looking forward to the Commission's proposals on restructuring the budget. I do feel, however, in view of the importance of this subject for the very future of the Community, that we should

have nothing to gain by actually producing anything before there has been some proper thought about the matter.

**President.** — I call Mr De Goede.

**Mr De Goede.** — (NL) Mr President, about this time last year our Community had just survived a serious crisis — the question of the British contribution. However, the solution was very much a stop-gap measure and by no means structural. In other words, the crisis was merely postponed and on 30 May last year the Council drew a number of conclusions, after which the matter was passed on to the European Commission and to the European Parliament. As rapporteur for the Committee on Economic and Monetary Affairs, Mr Giavazzi has now submitted what I regard as a well-founded report which we intend to support because it places a number of fundamental points in the correct light. The joint financial responsibility for Community policy, which is financed out of Community own resources, is inviolable and we flatly reject the idea of *juste retour* since this would mean the beginning of the end for the Community. We feel rather that own resources should be increased — preferably, in our view, by increasing the VAT percentage. We agree with Mr Giavazzi, furthermore that this should be accompanied by an appropriate revision of the common agricultural policy. The waste of Community money as a result of overproduction which must be disposed of at give-away prices, is too great a burden and has already been the unfortunate outward symbol for the Community for too long. It is a good thing that we expressed our opinion as Parliament on this point when we were discussing the report by Sir Henry Plumb. We go along with the basic tenet that the fundamental principles of the common agricultural policy are sacrosanct.

Mr President, not only was our Community ailing last year, but the process of recovery is taking too long. At present, we have no healthy Community which awakens new hope and expectations with new impulses for unity and strengthening, whereas what we do have is the worst economic situation since the Community was set up. It is more urgent than ever, therefore, that we should tackle these problems, which include recession, reduced competitiveness, particularly in relation to the United States and Japan, a high and still increasing level of unemployment, failure to keep up as regards technological developments, and major regional and social disparities, for example, in the incomes and assets of different countries or groups of the populations. These things all go together to make up a depressing picture of the Europe which chose us as its directly elected Parliament two years ago.

Mr President, we should be failing in our duties as elected Parliament if we did not do all in our power today with a view to making some positive changes to

**De Goede**

this picture. In addition to increasing own resources and following up the recommendations contained in the Plumb report regarding agriculture, more radical measures are also called for, of which I should like to mention five. Firstly, there is the EMS. This is operational, which is a good thing, but how long will it continue to be able to function if we do not manage to develop a more unified and convergent policy since excessively large differences in the inflation rates in the different Member States, which vary from 5 to 20%, wide differences in the budgetary deficits with the resultant no less wide differences in the degree of tightness on the money markets, the high interest rates which are affecting the position of the European Community *vis-à-vis* the dollar and excessive differences in the economic growth of the various Member States constitute a threat to that system? Thus, what we need is to act more as a community. Secondly, those aspects of Community policy which are currently aggravating the regional discrepancies rather than reducing them should be carefully looked into, and the operation of the agricultural policy is certainly one of these things. Thirdly, a more effective employment policy is vital. This is something which we all say time and time again, but it is to be hoped that the Jumbo Council will make a start on this and follow it up. It is not only a labour market policy which is called for. Education policy is also significant as we can see from the high level of unemployment among young people. Fourthly, convergence also means that more things of a Community nature should be done in the field of energy and research. Industrial policy — I need only mention Japanese cars — the problems in the steel sector, transport and the environment all merit attention and it is in particular the latter which is in danger of being neglected as a result of the economic recession. Finally, my fifth point. We must develop a Community model for medium-term planning not only because the process of harmonization of economic policy — particularly fiscal harmonization — has ground to a halt but also and above all because of the structural changes which our Western society is currently undergoing.

**President.** — I call the Commission.

**Mr Tugendhat, Vice-President of the Commission.** — Mr President, I have listened very carefully to the debate so far this morning and I must say I have been extremely impressed by the amount of thought that has clearly gone into these important questions and also indeed by the amount of passion in the speech made by Mr Colla, the speech by Mr von Bismarck, the speech by Mr de Ferranti as well. The President of the Commission will be winding up the debate and will no doubt be in a position to respond to some of the questions which have been put, but I on this occasion wish to address myself particularly to the report made by Mr Pfennig on behalf of the Committee on Budgets.

He will not, of course, expect me to go into a great deal of detail at this stage. We obviously cannot do so with our own report due out in a very few days. I would like to say, however, that it seemed to me an extremely far-sighted report that makes a number of detailed points which, I think, are both practical and interesting and which not only the whole House but also the other institutions — and that perhaps is the most important thing — need to take into account. Of course, the mandate, as everybody recognizes, goes wider than the budget. However, the budget is an integral part of the whole and, as the Parliament has made clear on many occasions, we believe that a budget is not a mere accounting instrument but an expression of political will. That is a long-standing approach on the part of the Parliament, and it is one which certainly the Commission holds dear.

Mr Pfennig notes that while the principal objectives of Article 39 of the EEC Treaty remain valid, there is a need for changes in the way in which the objectives of the common agricultural policy are realized. Secondly, he notes that other Community policies have developed in an essentially *ad hoc* manner and make only a marginal contribution to the Community's well-being. Thirdly — and here we come to the prescription — Mr Pfennig asserts the need for a reform of the Community budget which goes beyond merely tinkering with the distribution of existing financial resources. Mr Pfennig is advocating what the report describes as a 'financial union' which implies not only the development of Community policy but also of the Community's institutions. The report draws extensively on the literature of fiscal federalism and in particular on the McDougal report whose analysis and recommendations daily become more relevant to the Community's future.

Mr President, I should like to comment briefly on each of these points. I doubt very much whether any one would quarrel with the recommendations in paragraph 27 of the report about the common agricultural policy, and here I would also draw the attention of the House to the extremely interesting amendment tabled by Mr Notenboom, who will be speaking later in this debate. Out of the debate which has been conducted in recent months over the CAP, I detect a certain common ground emerging among those who, from their different points of view, have taken part in the discussion. I think though that what is really going to be needed is determination on the part of the Council to act on the analysis — there is plenty for them to go on. What we are going to need from them is the determination to see through some of the ideas that have been put forward.

So far as the development of other policies is concerned and almost every Member of the House has referred to other policies — the Commission agrees that these are both too *ad hoc* in character and pay insufficient regard to the need for greater convergence. The Community's regional and social policies,

## Tugendhat

its policies on energy, research, industry and transport, need to be developed in a more systematic fashion in order to accomplish the objectives of the Community and, consistent with these objectives, pay more heed to their redistributive aspects. This means both greater concentration of Community expenditure on the less prosperous regions of Europe and in the process ensuring that no Member State should be faced with an unacceptable situation.

I turn now, Mr President, briefly to financial equalization. The chairman of the Committee on Budgets, Mr Lange, started this important debate a year ago, and Mr Pfennig's report makes a further valuable contribution. The report talks in terms of the need to develop the redistributive capacity of the Community, and it is right that it should do so. Redistribution, of course, already takes place. What we have to ensure — and here the Parliament is obviously very much seized of the vital issue — is that it takes place in the right direction. The report also recognized that the development of this redistributive capacity is not merely a technical matter of arranging a payments system inside the budget. That is likely to be necessary — at least in the short term — until such time as the greater integration of the Community itself brings about a fairer distribution of costs and benefits.

I would like to draw the attention of the House to the fact that financial equalization based on the concept of fiscal capacity does not necessarily provide the basis for an adequate response to a specific unacceptable situation, if that situation does not particularly correspond to low fiscal capacity. Moreover, a system based on equalization of fiscal capacity would necessarily imply, as the report correctly recognizes, the institutional development of the Community. And here, if I may borrow from another famous revolution the phrase 'no taxation without representation', what is relevant to this House is precisely the reverse: no representation without taxation. It is clear that in the long term the institutional balance of the Community requires that those who are engaged in the expenditure of money — in other words this House — must bear some responsibility for the establishment of the tax base on which the revenue is raised and this is, I know, a point to which all sections of the House attach very great importance. It will of course take some time. And indeed in many respects the Community is in a transitional stage of its development.

But, and this I think comes through clearly from all the speeches that are made, the Community needs to take a general view of the direction in which it should proceed and be willing to take steps down the right road.

I am sure, Mr President, that Mr Pfennig does not suppose that the development of the Community's budget, which he outlines in his report, is going to be accomplished overnight. What, however, is important,

and it is to this that the Commission has addressed itself in its report on the mandate, is that we should be moving in the right direction.

And that brings me, in conclusion, Mr President, to the question of own resources. Mr Pfennig's report for the Committee on Budgets wisely states, and here I quote: 'In the context of the present volume of the budget, the first task should be to develop the expenditure side of the budget and the general conditions governing expenditure and the areas of expenditure listed in Section B — he refers to structural policies — before attempting to achieve an overall increase on revenue'. This is right and it is to this examination that the Commission is addressing itself. But out of the adaptation of Community policies there will need to be growth, which will have to be met both by the release of existing financial resources which are at the moment committed elsewhere, and at the right moment by their substantial increase.

Mr President, I know, as Mrs Scrivener said, that our report is awaited with impatience. I hope it lives up to the expectations which the House has of it.

**President.** — I call Mr Herman.

**Mr Herman.** — (FR) Mr President, ladies and gentlemen, there are just three points I want to make.

First of all, the Commission can only interpret this mandate as a strengthening of European solidarity and integration. The national governments, whether they are of the left or of the right, whether they follow or attempt to follow Keynesian or Friedmanite policies, and whether they are running a little country or a large one, seem to be quite incapable on their own of coping with the crisis. These failures also seem to be reflected in the polls. Yesterday there was Mr Barre, today and tomorrow there will be Mrs Thatcher and Mr Schmidt, and the day after that it will be the turn of Mr Maurois. There is no point kidding ourselves, and as for my country we have no government at all, just a semblance of government.

Consequently, you have to admit that we are not going to manage to cope with this crisis at the national level and by sticking to national policies. It does not matter whether we are trying to contend with the competition from Japan and the countries of southeast Asia, or whether we are trying to curtail dependence on energy sources, or whether we are trying to work out an industrial policy based on the technologies of the future, or whether we are trying to make some useful contribution to combating world hunger or developing the Third World, the countries of Europe will have to get together and coordinate efforts. This means they will have to accept an expansion of Community policies, which entails a bigger budget and more Community resources.

**Herman**

And now my second point. It is obvious that this expansion will be governed by the limits of current fiscal income, or even reduced revenue. When I want to persuade the people in my constituency that the construction of Europe is a good thing, the argument I come out with — and it might seem paradoxical but it is not — is that the only way of cutting taxes in our countries today is to make the European authorities responsible for all the policies which can be carried out much more effectively and much more cheaply at a European level. In other words, the only way to increase the Community budget is to redirect tax revenue to different levels of power, to steer it to where it is likely to have the most impact and the greatest effectiveness.

I want to cite only one example here, although there are lots of others. All the countries in Europe have spent a tremendous amount to encourage their own data-processing industries. The total amount by way of aid and subsidies is way ahead of what Japan and the United States have spent in this area. But the results have been much less satisfactory because the national approach has restricted the market and we have not been able to harmonize standards or achieve economies of scale. The European taxpayer has therefore had to pay out more than his American or Japanese counterpart to bear the burden of our economic jingoism. What I have said about data processing can also be applied — with due regard to the different circumstances — to telecommunications, the aerospace industry, biogenetic engineering and all the other technologies of the future.

Let me say at this point that we must also get rid of certain Community expenditure, especially the expenditure which is Community only in name and which has been dubbed in this way to salve our consciences but which is in fact national expenditure for policies which have been developed and implemented at national level. This is true of a fair proportion of the Regional and Social Funds. The money available is European and Community-based, but the way it is used is not. Then there is the money which is misused, especially that which goes to producing surpluses. And here I come to my third point, concerning the common agricultural policy.

There was a lot of talk about this yesterday but what was not highlighted enough, in my view, was the ability of the European farmers to adapt. Trying to cut surpluses by simply upping the co-responsibility levy or by cutting farm prices is a drastic way of going about things because the end result, if there is any result at all, is a cutback in production and therefore the number of jobs in farming, which means there are going to be more unemployed at a time when these are hardly thin on the ground. We are not going to get anywhere with such a policy.

Trying to get rid of farm surpluses in this way is not a good idea. What we can do is to switch production to

other products. We still import an awful lot of agricultural products, substitute products, and there is no reason why we should consider ourselves incapable of switching production, which is at the moment turning out surpluses, to the things we import. We just have to make up our minds and make better use of the particular skills we have.

I often cite the example of sugar. We are in a position nowadays to produce sugar at competitive prices on the international market, provided we grow our sugar beet in the right places. It makes no sense to try and grow it in Greece or Italy. It is not a very good idea. On the other hand, throughout southern Europe, in the countries, which are lucky enough to have 200 days of sun a year, provided you can make up your mind and make use of our structural policies in the farming sector, you can grow soya and oilseeds at competitive prices for the world market.

20 years ago everyone was telling me that Europe would never be able to grow maize on worthwhile terms. 20 years later, without going out of our way to be protective, without major subsidies and without any heavyhanded planning, we are now managing to produce a fair amount of maize in Europe. How do you explain this? The answer is that we have had a clever management policy. What was feasible and what has happened with maize could well happen tomorrow in the case of soya or other things. There are new markets waiting for our potential production. This is how we are going to cut farm expenditure and find the means of getting on with other policies.

**President.** — I call Mr Kirk.

**Mr Kirk.** — (DA) Mr President, the basis of today's debate is the mandate of 30 May 1980 conferred upon the Commission by the Council of Ministers, and the background to this mandate is in fact the basic question brought up by one Member State regarding its net contribution to the joint financing of common policy. I should like basically to say here today that I do not think that the relative advantages and disadvantages to the various Member States can be expressed in terms of a possible net contribution. We should, I think, reject the arguments which have been put forward by the countries in question to the effect that they have not made a net gain from their membership. You cannot join a club and then start arguing about whether or not you intend to pay your contribution according to the established rules. However, one of the main bases of calculation used is the gross national product, and I should like to try and indicate here today how inappropriate it is to use this parameter for calculating the wealth of a Member State. In Denmark, 50% of the labour force is employed in the public sector, and this in itself means that, because 50% of the total turnover in Denmark's GNP is paid out of public funds, the country is in a situation where

**Kirk**

it may well have a large gross national product, but this is no indication of the wealth of the country or of the income level of the population. In fact, if a Danish farmer earning an average of about Dkr 22 000 per year were to stop producing and draw unemployment benefit instead, he would double his contribution to the Danish gross national product. I therefore reject the entire debate on this subject.

As regards the two reports before us, particularly the Pfennig report, paragraph 18 of which speaks of other ways of financing Community policy, I do not think that the Community should start getting involved in other ways of levying taxes than those currently applied. The existing instrument for the collection of taxes by the Community, i.e. VAT, is, I think, the correct basis, since VAT reflects the turnover in the various Member States and the interest which the consumers have in the common market.

As regards the question raised by some of the Member States regarding the alleged lack of balance in the budget, I should like to say that this is by no means the fault of the agricultural policy. It is merely a result of the fact that, for 23 years now, it has proved impossible to agree to tackle some of the major political problems facing the Community. It results from the fact that we have been incapable of setting up a common energy policy, a common environmental policy or a common transport policy. It is also due to the fact that the regional policy still leaves much to be desired. If we in the Community could make a start on solving the problems facing us, this would also lead to a better balance in the budget, and all the Member States would get something out of it. The people of Europe are, I think, willing to work as a Community. They are prepared to show solidarity and support each other, but no-one is going to believe that it is by working out complicated systems of compensation and financing that we are going to promote this solidarity among the people of Europe. We will only be able to do this if we in the Community can show some results, if we could show that the Community can offer a trend, can help a region in the Community or a Member State or can help to protect the environment. If we can tackle the major tasks we have let lie far too long I think we will find that the Community can solve the problems facing it and I urge Parliament to take steps in this direction.

**President.** — I call Mr Notenboom.

**Mr Notenboom.** — (NL) Mr President, I should like briefly to discuss two points which are mentioned in the Pfennig report, which is very interesting and quite far-reaching. However, I should like to deal with a more immediate matter, i.e. the avoidance of imbalances in the budget, both now and in the future. I do not intend to use the expressions 'net contributor' and 'net recipient' as such. I join the previous speakers from my Group in going along with the report in this

respect. We must avoid imbalances continuing or arising in the budget, but not according to the method currently used. The expression 'unacceptable situation' has become a set phrase — indeed it has almost acquired status as a legal term since it is used by the European Council. I too am prepared to recognize it in a general sense, but the *ad hoc* solution for the British problem — and I also realize that the situation is, in general terms, unacceptable — should not be set up as a general principle and I should like to ask Mr Thorn who is soon to speak, quite seriously whether we can really count on this Commission as guardian of the Treaties. At his swearing-in in January and on a subsequent occasion in February he stressed the independence of the Commission. Do Mr Thorn and his Commission also regard the principle whereby the budget is financed entirely out of own resources as something which must be defended and maintained? Does he agree that there is no place for phrases such as 'I want my money back' or 'unser Geld bitte zurück'? After all, these are Community funds. From the moment the taxes, customs duties and levies become due they have no business being entered as revenue in the national budgets and then as expenditure items for payments into the Community budget. They are Community funds right from the outset, this is how our Community is financed and this is one of the basic principles of the Treaties.

However, what sort of noises are we hearing now? There is talk of maximum contributions and maximum receipts and such like. Will the European Commission pay any attention to these things in its current deliberations? Will it perhaps interpret the concept of 'unacceptable situation' in such a way that it will actually calculate what contribution a particular Member State has made to Europe and what has been spent in that Member State in return the same year so as to settle up the account and pay compensation at the end of the year, since this is where we could end up if we take the idea of unacceptable situations too lightly and listen to the noises which some Member States have been making recently. I realize that Mr Thorn cannot say anything about what the Commission is currently preparing, but I would be pleased if he would state his views on these risks which, as I see it, are very considerable since there is a danger of the Dublin or correction mechanism, which was acceptable at the time, being set up as a sort of mechanism for settling up the account for each Member State at the end of each year, which would mean the end of financing by means of own resources as well as a good part of the *acquis communautaire*'.

As the second part of my abbreviated contribution to this debate I should merely like to say a few words on my amendment to which Mr Tugendhat referred a few moments ago. In this amendment I propose that we should devote some attention to the realities of the situation from the legal point of view, but I hope I will not be misunderstood. Naturally, the budget must be the framework within which expenditure takes place.

### Notenboom

This is in fact happening to a far greater extent than in the past in the agricultural field and this is something towards which I too have always done my share. As far as possible, we must avoid supplementary budgets by means of efficient market management and budgetary items based on accurate estimates. However, when, in the context of existing regulations and legislation and in the case of fluctuations in world market prices, refunds need to be increased because third parties have a right to them, this is in fact done. This expenditure must be made and the budget adjusted accordingly. We must prevent this kind of thing happening and, as you know, I give my full support to what the Committee on Budgets and the Committee on Budgetary Control has done recently, but I think we should not lose sight of the legal realities. If the rights of third parties are to be respected, the budget must be adjusted and this is the thrust of my Amendment No 1 which, after this perhaps better explanation, may be acceptable to more people than was the case in the Committee on Budgets.

**President.** — I call Mr Jackson.

**Mr Robert Jackson.** — Mr President, my esteemed colleague de Ferranti has left me very little time to contribute to this debate, so I shall summarize my argument — or attempt to do so — in four sentences, which are, alas, excessively schematic and over-simplified.

First, no permanent, systematic, and generally acceptable restructuring will be achieved in the Community budget without further progress in European economic and indeed political integration.

Second, the governments of those countries that will have to bear increased burdens as a consequence of restructuring will only be able to justify this before their parliaments and their peoples if their sacrifices serve the wider European vision and purpose.

Third, the concept of a budget which serves 'convergence' — that is to say, a budget which makes deliberate transfers from rich to poor and not, as at present, from poor to rich — will only be realized, and indeed only make sense, in the context of a coherent European economic and monetary policy. The slogan of 'equity' will, by itself, not do the trick.

Fourth, and finally, these considerations are, or should be, relevant not only to the Commission but also to the Council, and in particular to the government of my own country — which is the principal demandeur in this matter.

A testing period of negotiation lies ahead. I, for one should be happier about Britain's approach to this test if there were more evidence, for example in relation to the European monetary system, that the link between

resource transfers and European integration was being more thoroughly and more fundamentally grasped.

**President.** — I call the Commission.

**Mr Thorn, President of the Commission.** — (FR) Mr President, ladies and gentlemen, as my colleagues Mr O'Kennedy and Mr Tugendhat have already done, I should like first of all to thank the rapporteurs Mr Giavazzi and Mr Pfennig for the excellent reports which they have produced and I should like to thank you all, ladies and gentlemen, for your contributions to this debate. Both the work of your Committee on Economic and Monetary Affairs and those speeches made by Members of this House which I have heard today have not failed to underline what can only be referred to as the ambiguous nature of this mandate which the Council gave the Commission a little over a year ago.

It must be remembered that the fundamental objective of the Council in taking this decision was to bring about a political compromise between one Member State, the United Kingdom, which took the view that its contribution to the Community's finances placed it in an unacceptable situation, and all the other Member States which were determined that this dispute should not lead to the disintegration of the Community, which at the time seemed very likely.

Consequently, ladies and gentlemen, we must bear in mind the dual nature of this compromise. On the one hand, on 30 May the Council decided on a massive budgetary transfer to assist the United Kingdom; on the other hand, it requested that the Commission examine all the Community policies with a view to proposing structural changes which would prevent a recurrence of such situations.

We must realize that both the different elements of our Community and its hitherto slow progress — which many if not all of you have already admitted — are the two principle causes of the imbalance in the Community finances. At the same time this imbalance reflects more immediate phenomena resulting from the priorities and emphasis of the common policies which, clearly, have not had the same results for all the Member States because of their intrinsically different economic structures and performance.

It is therefore totally wrong for politicians from any of the Member States to prescribe a temporary halt as a remedy for this situation. On the contrary, any attempt at improving and stabilizing this structure necessitates further progress: we need more, not less, Community.

*(Applause from the centre and the right)*

Hence, it was as a result of what we might call a strictly book-keeping analysis that this mandate was

## Thorn

initially formulated, because the United Kingdom — whose agriculture was far less important to its economy than that of other Member States and whose trade with third countries was proportionately greater — was not deriving sufficient economic benefits from its membership of the Community.

Mr President, this Parliament, through its Committee and through all those who have participated in this debate, was justified in underlining the need — our tomorrow and yours the day after tomorrow — to transcend this analysis, the justifiable mistrust of what the last speaker referred to as 'fair return', and the impossibility of assessing the effectiveness of common policies merely in terms of profit and loss. Strict adherence to the system of fair return would be the surest way of breaking up our Community.

*(Applause from the centre and the right)*

We cannot apply such a system in any of our Member States nor, *a fortiori*, in the Community as a whole, where the budget plays only a minor role and is only the tip of the iceberg. Our policies must therefore reflect greater openmindedness and a more flexible approach. Furthermore, I realize from the speeches which you have made this morning that you are aware, as we are, of the crisis affecting the Community: not only the Community, however, but the whole of the western world and industrialized societies are also affected by this crisis. Some critics accuse us of having neglected to strengthen and consolidate the Community when time was on our side and when the same critics frequently said to us: 'Take your time, Rome was not built in a day'. We should always make maximum use of the time given us to make progress in the development of a Community. We are currently going through an extremely difficult period of economic recession linked to profound changes in industrial, commercial and financial relations, which are jeopardizing economic balance and stability throughout the world. It is precisely this that we were discussing yesterday at the ministerial conference of the OECD.

This difficult period affecting the institutions and the economic life of our Community, which has perhaps lived for too long off the relatively easy successes of the early years, during which the peaceful aspirations of the Europeans and their eagerness to reconstruct Europe led to considerable growth and prosperity, seems to have coincided with the comparative demobilization of our citizens. The political crisis, stemming from the conflict within the Community with regard to its financing, is endangering the cohesion of our project and may lead to the blocking of the working processes of our institutions. All of us, in both the Commission and the Parliament should be aware of the risks involved, and we should ensure that the public at large is equally aware of what is at stake in these important matters which we shall be discussing over the next few weeks and months.

On behalf of the Commission, I am therefore grateful to all those who, in their speeches today, lent support to the Commission's plan for the revival of the Community. At this time which is particularly difficult for Europe owing to the international and the Community situation, we must try to revitalize public opinion. Consequently, we cannot accept the recent suggestions of certain politicians occupying high positions in the Community, that is, impose a virtual freeze on Europe and cease to make progress over the next ten years. On the contrary, only reaction and progress will allow us to overcome this crisis.

*(Applause from the centre and the right)*

As my colleague Michael O'Kennedy has already told you this morning, the Commission is engaged in completing the report which it was asked to draw up by the Heads of State and Government. The draft is currently being dictated and we shall devote most of our time to it towards the end of the week. You will understand also that it is not a particularly convenient time to speak about a report which we have just drafted and which we have not yet had time to discuss. For this reason I should prefer not to dwell too long on the subject, thereby avoiding *lapsus linguae* for which I should later run into arguments with my colleagues.

But I should like to say to Mrs Scrivener — even if I do not see her in the House — that it is impossible to give an indication as to whether it is too late or too early; I can assure her, however, that my colleagues here today and myself are satisfied and somewhat relieved to find that our work has been based on the same themes that you have developed here this morning, and I hope you will share this view after our discussion on the report at a convenient date. During the next part-session we shall communicate to you our findings in this report and I can assure you that we shall consider — and have already considered — the wishes expressed by the Committee on Economic and Monetary Affairs and by a number of speakers today. This discussion should consist of a complete and fruitful exchange of ideas between this Assembly and the Commission, especially now and in the critical times ahead.

Ladies and gentlemen, I have been somewhat worried by a number of ideas expressed here today. You must realize that the Commission needs you and you need the Commission and that Europe needs both of us, and let us not fall into that Machiavellian trap set for us by those who do not wish to increase our powers but to remove them altogether, those who leave us only one way open, the way of confrontation. Let us not fall into this trap.

Ladies and gentlemen, this report will not mark the completion of a process but the launching of a project which we hope to see developed through the dynamism of our policies and also — as many have said this

**Thorn**

morning — through the next enlargement of the Community. The mandate will be the framework for a whole series of proposals whose objectives I think I can summarize thus: the strengthening and development of Community policies, the assurance of the best possible usage of our resources and the means available to us, the avoidance of imbalances and distortions likely to make one or more Member States feel uncomfortable in the Community, the restoration of Community solidarity and especially the faith of our citizens in this Community, and finally, above all, the laying down of new objectives for the second European generation. I think that these objectives correspond for the most part to what has been said this morning.

I think I can safely say, Mr President, that the Parliament and Commission share the same basic priorities. I believe that one of us has the great ambition of ensuring the progress of the Community and the 'qualitative leap' called for by the rapporteur, while for the other it is absolutely essential to improve the functioning of all the institutions as soon as possible. The institutional mechanisms are too often bogged down by the consideration of particular interests which tend to obscure and even remove altogether our common objective. By making a unanimous vote on the least detail the order of the day, the Member States have for some time now condemned the mechanisms of our Community to grind to a halt. I am not referring here just to the voting procedures currently in use but I am looking further. We must condemn the attitudes of Member States which — and here I am replying to a remark made by Mr Colla this morning — on the one hand, expect the Community to defend their interests and the interests of the Community as a whole — be it against Japan or against the United States — and on the other hand, refuse to give it the means to do so, preferring to deal individually with matters which by their very nature fall within the Community's province.

Mr President, we must not attempt to hide the fact that the solution to this very real problem underlying our mandate will require active solidarity on the part of all concerned. If the Member States do not actually have to make sacrifices, they should at least approach their task with a willingness to do so where absolutely necessary. Let us formally warn all those who call for arrangements made to measure just for one or other Member State that such arrangements may remove a thorn from our side but do not guarantee the survival of the Community. Similarly, we must be on our guard against those who advise us to adopt policies or projects which do not include all of the Member States.

Several references have been made to Sir Geoffrey Howe's speech on this issue. I should like to recall just the following sentence from his speech — while at the same time forgetting some of the others — in which he says 'In carrying out this mandate we are planting

trees which will bear fruit for the next generation'. I much prefer this sentence to others which give us the impression of sharing out the fruit which has fallen.

*(Smiles)*

A couple of weeks ago I beseeched the Community to adopt a strong position against the United States, and particularly against the monetary policy being pursued by its leaders.

Mr President, ladies and gentlemen, I put this question to you: in the name of the Community, how can we strengthen the European Monetary System — and some of you asked me this question this morning — and create a zone of monetary stability in Europe to match the extensive dollar zone, when one of our biggest Member States refuses to join in this project? We fully understand the reasons, but the whole Commission is working to bring about a sharing of these efforts which would be in the interest of the Member State concerned and in our own interest.

Consequently, ladies and gentlemen, the completion of this mandate will mark the beginning of an important task for all of us. Even though we are aware that this report does not propose detailed solutions to all the problems, we wish to avoid juxtaposing lists of figures, preferring to suggest guidelines which would permit this Assembly to make a majority decision on the kind of Europe it wants, before the start of the second half of its legislature and before we ourselves finally begin our work. It will then be up to the Council and the Heads of State and Government to take suitable steps to avoid putting one more report 'on ice' or into mothballs. On the contrary, they must ensure that this report is properly discussed and that through you we may present it to the European public in order to find out the intentions of Member States, to know how far they are prepared to follow us in any attempt to solve this crisis which, far from being on the wane, will go on getting worse. All men of goodwill in this House, to whatever group they belong, must make every effort — not for reasons of party politics but in the interest of the economies of our countries, and in the interest of every European — to pave the way towards a situation in which every European can recognize that beyond his national homeland he has a real European homeland.

*(Applause from the centre and the right)*

**President.** — I, too, thank the President of the Commission for this inspiring disquisition. I hope that the Commission is about to have a fruitful weekend and that next week we can see the first results of the discussion which has taken place here between the Commission and Parliament.

The debate is closed.



**President**

The vote will be held at the next voting time.<sup>1</sup>

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

IN THE CHAIR: MRS VEIL

*President*

4. *Votes*

**President.** — The next item on the agenda is the vote on the motions for resolutions on which the debate has been closed.

We begin with the *motion for a resolution contained in the Giavazzi report (Doc. 1-256/81): Restructuring of Economic and Monetary Policies.*<sup>2</sup>

(...)

Explanations of vote may now be given.

**Mr Nikolaou.** — (GR) Madam President, we believe that, because of the way it is being carried out, the process of harmonization does nothing to restore any structural balance or to eliminate to any appreciable extent the existing inequalities. On the contrary, it reinforces them. This is patently clear, particularly with regard to Greece, and Greek public opinion is outraged at the fact that vital sectors of the Greek economy, such as the sugar, steel and textile industries, are being condemned to decay. At the same time no attention is being paid to Mediterranean agricultural products, farm incomes are not being guaranteed and neither is the consumer being protected, while there is a rise in the vast profits of particular concerns which are supported by aid given to Northern European farm produce.

We do not agree with the increase in the Community's own resources, which is the central element in the Giavazzi and Pfennig reports, because the main aim of this mechanism is not to redistribute the resources in such a way as to bring about real harmonization of the Member States' economies but to set up an economic and financial policy to cater for the interests of the industrialized regions of the EEC, thus confirming the existence of a two-tier Europe. I regret, therefore, that

the PASOK has no alternative but to vote against the motion.

**Mr Baillot.** — (FR) Madam President, a few moments ago I gave the opinion of the French Communists and Allies on this report, and I have nothing to add to that. I would simply like to say that, bearing in mind the assessments made, we shall abstain.

*(Parliament adopted the resolution)*

\*

\* \*

**President.** — We shall now consider the *motion for a resolution contained in the Pfennig report (Doc. 1-264/81/corr.): The future of the budget of the European Communities.*

(...)

*After Paragraph 22 — Amendment No 3*

**Mr de Ferranti.** — Madam President, the rapporteur is absent but I would, as a point of order, like to say that in view of his request, I would like to put to the vote the first paragraph, 22a, and the first two lines of 22b. I have informed the Secretariat accordingly, and I think, it is in order. And that, I know, Mr Pfennig agrees with. So that is new paragraph 22a and the first two lines of 22b.

**President.** — Mr de Ferranti, are you asking for a vote by division or a modification to the amendment?

**Mr de Ferranti.** — A modification to the amendment, Madam President, but if that is not possible, then could we vote paragraph by paragraph?

(...)

**President.** — Explanations of vote may now be given.

**Mr Kappos.** — (GR) Madam President, the aims of the budget, which is a basic and fundamental instrument for implementing policy, are the monetary, fiscal and economic integration of the Member States, the alignment of their economies and ultimately their political union. We have already stressed that these aims are both unrealistic and reactionary, and the fact that they are unrealistic has been demonstrated by our experience so far. What is more, now that there is a crisis and there are marked imbalances between the various economic parameters, it is clear that if any

<sup>1</sup> *Membership of Committees: see minutes*

<sup>2</sup> The report of proceeding reproduces only those stages of the vote which gave rise to speeches. For details of the votes see minutes.

**Kappos**

restructuring of adjustments are carried out, they will aggravate these imbalances, which in turn will create serious problems, and it is impossible for the peoples of Europe to accept such a policy. We should also point out that it is contradictory that the supporters of Community entry should at national level talk about 'liberalization', i.e. measures basically for the benefit of the monopolies, and that at EEC level they should talk about increasing international intervention in economic problems. What is more, this objective is reactionary because it actually restricts the national sovereignty of the states. Decisions are taken on the various problems by bodies which are not answerable to the peoples and which in reality are dominated by the will and the interests of the monopolies. We also wish to make two further points. Firstly, the acquisition of own resources, the increase in taxation and the reduction in agricultural subsidies all mean greater burdens for the peoples of Europe. We also think it is outrageous and illogical that funds should be allocated by the EEC for military purposes, for research for military purposes. It seems that with these new lines of policy the EEC really will be reinforced as an arm of NATO in accordance with the demands of the Americans, who are demanding that less should be spent for social purposes and more for military purposes.

*(Parliament adopted the resolutions)*

##### 5. Abolition of the death penalty in the Community

**President.** — The next item is the report (Doc. 1-65/81), drawn up by Mrs Vayssade on behalf of the Legal Affairs Committee, on the abolition of the death penalty in the European Community.

I call the rapporteur.

**Mrs Vayssade, rapporteur.** — *(FR)* Madam President, ladies and gentlemen, since this Parliament was elected by universal suffrage, the question of death penalty has often been raised in this House. Whether it be for Tunisian trade unionists or South African militants, for Korean statesmen or French prisoners sentenced to death for common-law crimes, many people have raised their voices in order to save lives. But today, for the first time, we are going to discuss the very existence of the death penalty and its true value.

A motion for a resolution by Mr Schwartzberg and a number of petitions were referred to the Legal Affairs Committee, on behalf of which I have the privilege of presenting this report today.

The European Parliament's competence for dealing with a problem of this sort was in no doubt in the Legal Affairs Committee. The Ten, both within the framework of political cooperation and in concerted

Community action, have already looked into the problems of criminal law. In particular, the Justice Ministers of the then Nine recommended that a Cooperation Agreement on criminal law should be drawn up. We are therefore well within our Parliamentary rights in holding a debate today on the death penalty. The discussion on whether the death penalty should be abolished or retained is a vast one and has been going on for decades, and I am almost tempted to say for centuries. Beccaria proposed that the death penalty be abolished more than two centuries ago.

A large number of different arguments have been put forward, philosophical, pragmatic, legal, sociological and even emotional ones.

I am one of those people who have remained unconvinced by arguments in favour of the death penalty. I should like to point out that this opinion was not wholly shared by the committee on whose behalf I am presenting this report. I feel that the principle of respect for human life is absolute and that it must above all be applied by States and by society, even when dealing with criminals who have shed blood. This is a question of a certain approach to human rights which I feel must be defended.

Naturally, all of us, at one time or another, when faced with a particularly revolting crime or when closely affected, has reacted initially by saying 'Someone like that ought to be killed!' But I think that this initial reaction is more akin to instinct and vengeance than to law and justice. To ask for the abolition of the death penalty does not mean forgetting the victims or making light of the crimes committed. It means stating simply that legalized murder does not efface those already committed. All it is is another murder.

Secondly, the death penalty does not have any real dissuasive power. On this point, I think that the Legal Affairs Committee was more or less unanimous. When a criminal commits a crime, he is always convinced he will not be caught. Other penalties can be just as dissuasive, and I think that it is up to each State to decide exactly what such penalties should be.

I should like to give an example of what I have just said. The day after Philippe Morris was condemned to death for the murder of a policeman in France, policemen were being shot at in Paris. The effect which dissuasive penalties have depends not so much on how severe they are as on how likely it is that the criminal will be discovered, prosecuted and punished. Unnecessarily severe penalties only make the societies we live in more brutal. Studies have shown, particularly in the United States, in which there are both abolitionist and non-abolitionist States, that the existence of the death penalty has no significant influence on either the type or the amount of crimes committed. In the Federal Republic of Germany, which abolished the death penalty in 1949, a relative drop in violent crimes

**Vayssade**

occurred between 1950 and 1964. The renewed increase since 1965 is the result of a general increase in violent crimes in all countries with a similar standard of living.

The death penalty, in my opinion, does not have any effect where crimes are of a political or terrorist nature, since in such cases the perpetrators of such deeds have more often than not accepted in advance that their lives will be forfeit, and by condemning them to death and executing them we are more likely to make martyrs or heroes out of them than to deter others from following their lead.

The death penalty also makes it impossible to correct judicial errors. It also goes against all the efforts being made in a number of Member States towards making the main aim of criminal law the social rehabilitation of wrongdoers. And lastly, in all the countries which apply it, the death penalty falls partly outside normal law since, once sentence is passed, it becomes subject to the right of pardon, which is a royal prerogative.

What is the situation in the Ten countries of Europe; there are three different types of country involved. There are total abolitionist countries: Denmark, the Federal Republic of Germany and Luxembourg have totally done away with the death penalty either in their constitution or through the legislative process in their legal code. Several other countries are abolitionist, but only for common-law crimes in peacetime. This category includes Italy, the Netherlands and the United Kingdom. Lastly, there are four countries which are non-abolitionist and have retained the death penalty in their laws: Belgium, Greece, Ireland and France. In these four countries people are still sentenced to death, but in the first three no one has been executed for a long time: in Belgium, since 1918 in peacetime; in Greece, since 1972, that is since the Colonels' regime fell; in Ireland, since 1954. In France, however, people have been executed in the recent past. The political changes which have just taken place in France give us reason to hope that there will be no more executions.

As for international action on the death penalty, international assemblies either at European or world level have been working for years in a gradual attempt to abolish the death penalty. A little more than a year ago, the Parliamentary Assembly of the Council of Europe passed a resolution and a recommendation appealing to the States belonging to the Council of Europe to abolish the death penalty. The United Nations Organization has also on several occasions organized symposia and conferences which have led to major recommendations in the Assembly, requesting that fewer crimes be punished by the death penalty and that efforts be made to restrict the use of this penalty as much as possible. Therefore, Parliament will today be joining in a major international tendency and I think that it is right for this directly elected Parliament to be dealing with a problem of this sort.

We have now entered a period in which no European country executes those condemned to death. However, I do not feel that because of this the motion for a resolution which the Legal Affairs Committee has put before your is any less important. The death penalty is not something which can merely fall into disuse. Its application or rejection should not only depend on what political majority there is in a given country. It must be abolished in actual law. Therefore the laws, codes or constitutions must be clear in this respect.

This is why I hope the largest possible majority of this House will vote in favour of the conclusions of the Legal Affairs Committee, and will call on the Member States which have not yet done so to abolish totally the death penalty. I also hope that Parliament will give further backing to this resolution by asking all Member States to amend correspondingly the European Convention on Human Rights.

*(Applause)*

**President.** — I call the Political Affairs Committee.

**Mrs Macchiocchi, draftsman of an opinion.** — *(IT)* Madam President, on behalf of the Political Affairs Committee I have tabled three draft amendments to the text of the report by the Legal Affairs Committee aimed at highlighting the abolitionist views expressed by the majority of the Political Affairs Committee, even though there were some areas of disagreement.

As Mrs Vayssade has already clearly pointed out, this House must today show that we as Europeans are able to work in favour of life and not death. Europe must progress towards new forms of existence, towards humanitarian principles which should be the focal point for our present and future acts. This House, elected for the first time by universal suffrage, is therefore today called upon to take a giant step forward in this direction. I should also like to mention that on several occasions our President has made statements in favour of the abolition of the death penalty, and this fact is to Parliament's honour.

This is why today may become a historic occasion in the succession of tempestuous and sometimes confused events which have made up our new-born Europe.

The substance of the debate which took place in the Political Affairs Committee is given in a note which has been distributed to all Members. The basic concept expressed in this document is that of the need to present to coming generations not just the image of a Europe in which crime is repressed or of a 'judicial area', of a harsh, hard or merciless Europe, but rather of a Europe in which human rights and respect for human beings are the cardinal rules of our conduct. We must make it clear that we are sincerely deter-

**Macchiocchi**

mined to achieve this and, to do so, we must come out clearly in this House for the abolition of the death penalty in all the Member States of the Community.

I should like to pay homage now to some of the renowned opponents of the death penalty from a country which is especially dear and close to us, that is France, and I should particularly like to pay homage to certain of that country's famous representatives who are present in the public gallery today, amongst whom are the Director of the Paris Criminological Institute and Mr Badinter, the lawyer. Their presence here today is an encouragement to many of us who during this difficult period have never renounced undertaking and continuing this journey through the wilderness. I must admit that at the meetings of the Political Affairs Committee the arguments for and against the death penalty sometimes highlighted a strange tendency towards argumentation, aggressiveness or even a sort of generalized disgust as if this were a subject about which one ought not to speak.

I should similarly like to thank all those who addressed to this House the various petitions on this subject, and also the Council of Europe for the documents which it drew up. I wish to stress once again that we are now faced with an issue which touches on the very future of our Community.

At the beginning of my speech, I mentioned the fact that the debate which led to the drawing up of this document was not always an easy one. I should like to explain to the Members that we were faced with three fundamental obstacles which are in some ways — and I hope you will permit me to use this expression — as many alibis.

The first obstacle we came up against was that the legislation of one of the Member States of our Community, a country which has a great tradition of civilization, namely France, still decrees that the death penalty will be the supreme sentence under law. The problem arose from the fact that it was our constant wish both not to annoy a friendly country and not to go against the opinion polls carried out on this subject in France which showed that a majority of the population, 63%, was in favour of the death penalty. Well, this obstacle or alibi as we ought to call it, has quite obviously been removed because the newly-elected President committed himself during his election campaign to working towards the abolition of the death penalty. This argument has therefore been nullified as a result of the French elections. I hope that this may have a positive effect on the whole of Europe.

Another argument put forward was that of the death penalty as a means of combating terrorism, a scourge which has hit Europe like the Black Death and which has fostered in some people the idea that the State ought to meet this threat by inflicting the death penalty where it no longer exists, in Italy for example, as a continuation of a barbaric ritual, and by once

more proclaiming certain death in order to guarantee lives. Thus, in Italy, the Social Movement which is a party whose origins and structure are Fascist, has collected more than a million signatures demanding the reinstatement of the death penalty in Italy which, since according to this party it is now in a state of war against terrorism ought to act as if it were facing enemies. A proposition of the Italian people, shaken by the terror spread by the Red Brigades and other elements who have openly stated their intention to bring down Italian democracy, naively signed this petition without knowing that the real threats to our democracy act under cover of the secret terror of the Masonic Lodges such as the P2.

Another argument is thus demolished. How can anyone think that the death penalty can put an end to people's feeling of insecurity, whilst those same people find it extremely difficult to affirm their own right to have their persons respected?

Rimbaud once said that happiness in a new concept in Europe. I am not saying that today we shall consecrate a 'happy' event, but I am convinced that, by our vote, we shall bear witness to the hope that by coming out against the death penalty this House can declare itself in favour of a different sort of future for mankind. I should like to remind you of Freud's statement that societies are born of a shared criminal act, alluding to the death penalty. We intend today to totally reject this shared criminal act or, in other words, the legitimization of the death penalty as the supreme punishment.

I have nothing to add to the arguments put forward by Mrs Vayssade, which have been confirmed during this debate. I merely wish to say the following: let us show that it is not a blood pact which unites European societies but that we are certain — both for moral reasons and for reasons of intellectual and cultural dignity — that criminals can be reformed and become useful members of society once more, or at least that they can be in a position no longer to harm anyone without their heads having to fall into a basket to achieve this. We ask that the words 'until dead' no longer be used in courts in Europe and that the horrifying word 'guillotine' be banished for ever from European penal codes.

**President.** — I should simply like to point out for those who may have been surprised that the speaker cumulated her speaking time as rapporteur and as representative of her group.

I call the Socialist Group.

**Mr Schwartzberg.** — (FR) Madam President, ladies and gentlemen, I should like to remind you all of the spirit in which I tabled this motion for a resolution on 14 March 1980, that is 15 months ago now.

## Schwartzenberg

There is naturally no question of our enacting legislation in place of national parliaments nor of our encroaching on their particular legislative powers, but what we have to do is to help to guide them and inform them by this vote on general policy which will serve as a pointer and example to them all. Obtaining the opinion of the European Parliament on this subject is all the more important, since for years now the French Parliament has been prevented from voting and legislating on this problem by the former government which, taking unfair advantage of its control over the agenda, did everything in its power to prevent the Members of the French National Assembly from reaching a statutory decision on this point. I wished to show, by my motion for a resolution, that until May 1981 French Members of Parliament were really freer to debate and to vote in Strasbourg than in Paris in a National Assembly which was at that time bound and fettered by those who used to be in power. In support of this resolution, I should like briefly to put forward three arguments.

My first argument, ladies and gentlemen, is that in our eyes Europe is not just a common market. It is also a common civilization based on common values such as respect for human life and dignity, even for those who have transgressed such rules. Along these lines, and Marie-Claude Vayssade made this perfectly clear, six of the Member States have legally abolished the death penalty and three others have abolished it *de facto* by ceasing to apply it. Before May 1981, there was therefore only one State of the Ten which continued to apply the death penalty and it is with regret that I have to say that that State was the one which I and my fellow French Members represent here. 17 executions for common law offences have been carried out during the Fifth Republic, three of which during Mr Giscard d'Estaing's term of office alone, the fact being that he refused to pardon three of the seven people actually condemned to death during his presidency. It was therefore a matter of urgency to achieve some measure of harmonization, all the more so since as Marie-Claude Vayssade mentioned, harmonization of criminal law had been recognized by some of the groups in this House as one of our priorities, particularly within the framework of the European Convention on the fight against terrorism. The harmonization of criminal law cannot be achieved through repressive measures alone. It should also lead to humanitarian measures so that all the citizens of the Ten may enjoy the same rights and guarantees and the same amount of protection.

The second point to be considered is that the application of the death penalty has led, and may again lead — it has already been said but must be reiterated — to judicial errors which are irreparable and cannot be remedied. I believe Victor Hugo once said, 'For me, the guillotine bears the name of Lesurques', who was the innocent man guillotined in the Lyons affair. I think I can say for my part that, some years later now, the guillotine bears the name of Ranucci, the man

whose guilt is now called into question but who was not pardoned by the President of the Republic. Ladies and gentlemen, how can a situation be allowed in which the right to make a mistake is tolerated when the right to live is involved?

The third and last point I should like to raise with you is that a large number of statistics, as we have seen, show that the crime rate has not increased in States which have stopped using the death penalty, because it is well known that other sentences, such as long-term prison sentences, can be as much of a deterrent as applying the death penalty. So this merely leaves us with a punishment which some, and we in the Socialist Group are among them, consider cruel, not to say barbaric, a sort of primitive rite inherited from former times and contrary to our conscience. I too, like you, do not forget the victims of these crimes, like you, I too am haunted at times by the heinous and horrifying nature of certain bloody crimes. Sometimes I am shocked by their growing number and by the rise in violent crime, but I am convinced, as no doubt are most of you today, that it is the hallmark of a civilization not to repay violence with violence or blood with blood.

Ladies and gentlemen, your voice speaks for ten peoples of Europe. May it be grave, clear and strong, may this House give voice to the common conscience of millions and millions of Europeans. So on their behalf, let us now work in favour of life. Let us go forward towards the principles of life, peace and humanity. Let us act and vote together to 'outlaw' death. And let us make this June day, at the dawn of a new era, a day to be remembered by all mankind!

*(Applause from the Socialist Group)*

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

**Mr Janssen van Raay.** — *(NL)* Madam President, ladies and gentlemen, Mrs Vayssade's report constitutes an important piece of work in that it gives the European Parliament the chance to put forward an important international plea for the abolition of the death penalty. As such, it deserves our utmost respect, and I am pleased to be able to say that the Christian-Democratic Group has decided to support her motion for a resolution. We should like to shift the emphasis somewhat from what previous speakers have had to say on the grounds that, thanks to us, the preamble to the motion for a resolution now incorporates as its tenth indent the words: '... voicing the hope that this initiative will provide inspiration for all countries in the world which still enforce the death penalty'. As far as we are concerned, that is a more important point than holding a debate on the situation in Europe. Of course, I appreciate that speakers from France place great value on the effect this resolution, if passed, will

**van Raay**

have in France. But I hope the French Members will not think ill of me for shifting the emphasis somewhat in the light of the extremely important documentation produced by Amnesty International, an organization which cannot be praised highly enough for its pioneering work and its documentation. What that documentation has to tell us is that, of the roughly 150 countries throughout the world, 130 still apply the death penalty. That, to our mind, is the most important point, and by rallying support for this motion for a resolution, we hope to address an urgent appeal to all these countries to take a serious look at this practice. Bearing in mind that only twenty countries have dispensed with the death penalty, and that thirteen of them are European countries, you will no doubt appreciate why we are very keen to give this report an international, global flavour.

Mrs Vayssade made a legally perfectly correct distinction between the countries of the European Community by drawing a distinction between, for instance, Belgium and the Federal Republic of Germany. I should like to draw a somewhat different distinction on the grounds that there is no practical difference between the situation in Belgium, where all death sentences are automatically commuted to life imprisonment, and the Federal Republic of Germany, where the death penalty is constitutionally outlawed. Taking Luxembourg as an example, it can of course be said that Luxembourg law has abolished the death penalty, but that it remains a valid option in the Luxembourg constitution. That is indeed legally correct, but — and let me repeat that this is not intended as criticism of Mrs Vayssade — I should like to point out that, practically speaking, nine of the ten Member States of the European Community no longer apply the death penalty. You struck an optimistic note, Mrs Vayssade, and we have recently had a number of cases of clemency being granted in France. Let us hope that, in a few years' time, we shall have a situation where ten out of ten Member States of the Community no longer apply the death penalty in practice.

However, that does not solve the problem in world-wide terms. We should like to point out with all due emphasis in this House that we are in a position to address a massive moral appeal to the United Nations, to the whole world and to all those countries in which the death sentence still applies.

I should like to address a final word to Mrs Macciocchi. It seems to me rather a shame that her Amendment No 3, relating to a paragraph 2a rather than a new paragraph, applies exclusively to the European countries, where it is to all intents and purposes no longer meaningful. I would urge her to give some thought to replacing paragraph 2a by a new paragraph so that the broad, calm discussion the amendment urges applies not only to nine of the European countries where any such discussion is now superfluous, but to the 130 countries throughout the world where such

a discussion is highly necessary. By making that minor change, she could rest assured that the support of our group would be forthcoming. To sum up then, we support the appeal contained in the motion for a resolution, and we should like to thank Mrs Vayssade most sincerely for her useful, important and morally inspiring work.

**Sir Frederick Catherwood.** — Madam President, I would like to make it clear first of all that there is no group view in the European Democratic Group. We will be putting two different points of view reflecting the difference of view in the group. The second indent of this motion reads.

As the statistics in the countries which have abolished capital punishment amply demonstrate, the increase of those crimes for which the death penalty was formerly imposed has not varied significantly from the incidence of crime generally.

Now that is apparently said to reassure us that, and I quote, 'long prison sentences are just as powerful a deterrent'. But if the murder rate has nearly doubled since capital punishment ended, as it has in England and Wales, and indeed increased dramatically, as it has in Northern Ireland, it is not reassuring to know that other crimes have increased at the same rate. If crimes of violence against persons have multiplied by four, as they have in England and Wales since the death penalty ceased to be executed, should we be reassured to know that murders have only multiplied by nearly two? Why should there have been any increase at all? It is not like an economic growth rate, where you expect a natural increase. We have never had more money; we have never had a longer period of peace; and yet in the last 15 years, as the death penalty has fallen into disuse, violence has risen — not just the spectacular crimes of terrorist groups, not just hijacking and kidnapping, which have come in almost new again, but at the ordinary level among ordinary, citizens, violence has increased in towns and streets where citizens used to walk safely and now can no longer do so for fear of being attacked and killed. My colleagues with whom I agree about so much — I am very sorry that I simply cannot agree on this. For the sake of protecting lives, which is why the death penalty was abolished, nearly twice as many innocent lives are being lost. If the figures for the rest of Europe are different from those for England and Wales, then that should have been in the resolution, if I am wrong about that.

There is, and has been, another view of the best way of protecting the dignity of human life: 'Whoever sheds the blood of man shall his blood be shed (not 'may' but 'shall' his blood be shed), for in the image of God has God made man'. That was the Christian view for 1900 years, and I personally do not believe that a Christian view can change in the face of a short-term wave of intellectual opinion. Human rights have to be matched by human duties; you cannot talk about

**Catherwood**

human rights, as we do in this Parliament, without talking about human duties. And if human duties are not maintained, then you have to decide what to do about human rights. The view which I have just put is still the instinct of the ordinary citizen in any poll you care to take. We are now, I think we should face, in the middle of a humanist experiment against a view taken in Europe for nearly 20 centuries, and we need to be far more honest with ourselves about the actual increase in violence which is taking place and which is growing. I myself do not think a man should be hanged on the basis of statistics, he should be hanged on the basis of principle; but if we are arguing statistics, then let us be honest about the statistics, and this report is not honest.

*(Applause)*

**President.** — I call the Communist and Allies Group.

**Mr Chambeiron.** — *(FR)* Madam President, I am not of the same opinion as the speaker who preceded me, that is to say I do not think that the problem is purely and simply one of statistics. I think that it has long been established that the death penalty is not a deterrent and that we do not need to bandy about the question of whether there are 17 or 18% more or less in such and such a case.

Similarly, and I now address myself to Mr Janssen van Raay to whom I listened very carefully, I do not think that we would improve the quality of this House's debate if we were to extend this question to cover all the peoples of the world, since we have a chance within the Community to take steps towards harmonization. There is a proverb which says that one should not run before one can walk, and let us therefore try to come to some agreement as far as the Community countries are concerned.

In France the movement towards abolishing the death penalty is a long and deep-rooted one. Since the great French Revolution of the 18th Century, whose guiding light has illuminated the path towards emancipation the world over, many unselfish voices have been raised against this medieval practice which made France, and I say this with some sadness, the last country in which the death penalty was still actually carried out.

But as you are all aware, major political changes have taken place in France, particularly on 10 May last. These changes are now being confirmed and the new President of the Republic's declared stance — which has already borne fruit — ought to facilitate the instituting, I hope within as short a time as possible, of a major debate within the competent French institutions, in other words, as has already been mentioned, in the decision-making assemblies, and I should just like to

remind you that this debate has been stubbornly rejected by all the former governments of France.

Our rapporteur was honest enough — her report is an honest one — to ask herself the question, unlike certain people I heard speaking just now, whether the Treaties which govern our activities here gave us competence to act in the field we are now examining. In the Legal Affairs Committee, we had occasion to discuss this question frankly and fully. Personally, I do not think we have such competence, but I feel that on this occasion it is not this which is the major point, given the seriousness of the problem we are faced with today. I think that we are faced with a question of duty, I might even go as far as to say a question of courage or a question of civilisation, and that we must make an unequivocal statement on the text before us today. There is no easy way out of this. It would be preferable for this House to vote unanimously in favour of the report before us. But I feel sure that a majority will vote in favour, and in my opinion that majority will be an important factor.

This is because, even though I am aware that it is not in this Chamber that the decision will be taken which will be binding for the Member States of the Community, it is nonetheless true that this vote will have major repercussions on that public opinion which we represent within this Institution. This is the reason why the French Communists and Allies, whilst expressing some reservations on the wording of some of the recitals to the motion for a resolution, will support the main body of Mrs Vayssade's report and will vote in favour of the motion for a resolution before us. We do not forget either that there are victims of crimes, but we wish to make quite clear through our vote that we are very firmly in favour of the abolition of the death penalty.

**President.** — I call the Liberal and Democratic Group.

**Mr De Gucht.** — *(NL)* Madam President, the question of the death penalty and the abolition thereof within the legal sphere of the European Community can be approached from two different standpoints. We can draw up a catalogue of the arguments for and against and put them to the test from the point of view of their validity and social effectiveness. The underlying principle here must be that the right to life is inalienable.

To open the debate, it seems to me a useful approach to try to identify certain systematic traits in the arguments for and against the death penalty. There are essentially two categories of argument, advanced respectively by those whose main concern is to protect society and those who set out to implement a moral judgement and who regard the death penalty, wherever necessary, as a consequence of this judgement. A

## De Gucht

moral judgement is only relevant in the light of social evidence, and this is clearly not the case with the kind of arguments which belong to this social category.

At the top of the list comes the idea of retribution, the principle of an eye for an eye and a tooth for a tooth. The social balance is based on the experience of two thousand years of civilisation which frowned on the idea of taking the law into one's own hands, although we must unfortunately concede that the primitive thirst for revenge has not yet been eradicated from the minds of many people. Indeed, we have just heard a first-hand example of what I mean. A European legal community worthy of the name and aware of its essential role in the field of human rights can have no option but to unanimously condemn such a view.

A further argument of the moralizing kind is the claim that the death penalty is more humane than a lengthy spell — in some cases, life — in prison. My purely emotional reaction to this argument is to say that it verges on insanity.

Rationally speaking, there is an essential difference between the general claim that death is more humane than — to take the extreme case — being locked up for life and respect — not social approval but respect — for the personal action of someone who puts an end to his own life by committing suicide.

Socially relevant attitudes must find expression in general rather than personal terms. There is another series of arguments centring on the need to protect society, although it will have been evident from what I have said that the arguments advanced by some people have a moral undertone.

Let us take a look first of all at prevention in general terms — the deterrent effect. Salim's "Death penalty", a standard work on this subject, clearly demonstrates that no such effect exists. It is perhaps worth noting that this work dates from 1959. Of course, it takes a good deal of time for scientific findings to filter through, but since that time, the theory advanced by Salim, far from being disproven, has in fact been reinforced by experimental evidence, the accuracy of which is unquestionable.

Psychologists have moreover stressed the latent suicide drive common to a number of murderers, a point which gives food for thought. Many people genuinely believe that there is such a thing as a deterrent effect, and for this reason I would invite everyone — first and foremost those Members of this House who are in favour of the death penalty — to read the existing literature with an open mind, in the hope that we can eliminate a number of irrational elements from the debate.

The same kind of social irrelevance surfaces again in the argument that the death penalty effectively prevents wrong-doors from falling back into their old

ways. Whenever someone who has already committed a murder or some serious misdemeanour kills again after his release, it is of course front-page news and it could be said that it tends to strengthen the argument I mentioned just now. In reality, though, it is a highly unusual phenomenon and an expression of a much more profound general problem on the part of the recidivist for which there is no generally valid solution, including the death penalty. The claim that the death penalty is reserved as an option only for the most serious crimes and that the criterion of repeated crime is applied misses the point of the recidivist problem. The only solution to this problem, one which can never be perfect because man himself is in the final analysis such a complex organism, is an overall approach to the crime problem, bearing in mind the whole question of violence in our society, the personality of the criminal, society's acknowledged right to protect itself and, as far as possible, the question of social rehabilitation, with special attention being devoted to crime among young people and the more minor misdemeanours which may be the stepping stone to more serious crimes. Murder is often merely the terminal phase in a long process of development. Society must certainly be protected, and if an individual is finally and irremediably lost for that society, we must be prepared to draw the necessary conclusions on the basis of a long-term evaluation and with no hint of revenge.

A final argument which I should like to discuss briefly is the claim that evil will diminish as a result of capital punishment. This is purely illusory. We have only to think of what happened under the fascists. What, after all, were the consequences of genocidal jurisprudence? In conclusion, therefore, there are no valid arguments to justify the death penalty, but is it really necessary for us to adopt this kind of approach to the problem? Are we not first and foremost human beings to whom the inalienable right to life is central? We, as liberals, have no problem in choosing between barbarism and humanism, a humanism which outlaws capital punishment and uses humane means to protect the victims of violent people. The programme produced by the European Liberals and Democrats refers to this clear option, which has found concrete expression in the formulation of a resolution on the extension of social and human rights within the European Community and centring on the right to life, so that no-one under any circumstances may be robbed of this life, not even as a legal punishment. This resolution is now being discussed in the committees concerned and will shortly appear on the agenda for a plenary meeting. It is in the same spirit that we hereby give our approval to the Vayssade report.

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

**Mr Israel.** — (FR) Madame President, ladies and gentlemen, I am not speaking today on behalf of my



## Israel

group, and I should like to thank my fellow Members for having allowed me to make a personal statement on a subject as important as the one we are dealing with today.

In my personal opinion, Mrs Vayssade's report is extremely praiseworthy. It is totally in line with the dignity this House should display, since, compared with national parliaments, this is above all a place for reflecting upon and analysing current issues, to some extent, if you like, the moral conscience of Europe. On Mrs Vayssade's report, I shall simply make a remark as to its presentation which may also have some bearing on its substance. I feel that Mrs Vayssade ought perhaps not to have referred to the European Convention on Human Rights, which does in fact retain the possibility of the death penalty. It is risky to set about revising the European Convention on Human Rights, Mrs Vayssade. The best thing is simply to let this article fall into disuse and merely state our desire to see the death penalty no longer applied in the Community.

This however is not the reason, Madam President, why I am speaking before you today. I should merely like to try to see what views we can express on such a highly charged subject. Of course, we must immediately set aside all religious considerations. We are faced here with the death penalty, which does away with that divine spark of life which illuminates all creation, and there can only be individual and personal reactions to that problem.

But the death penalty is also a social problem, an extremely serious one which can only be understood by taking a look at the way in which criminal law has developed. What can we in fact observe in the evolution of society as we know it? Only a few decades ago, corporal punishment was permitted, torture was considered a normal part of criminal law. Torture was allowed — not in order to obtain information, as it would seem certain police forces do today — but torture was permitted as a punishment. Well, I have no hesitation in saying before you today that the death penalty is the supreme corporal punishment. There is no fundamental difference between torturing an individual as a punishment and leading him to the scaffold.

I should also like to draw your attention to another point, namely the means of execution. Such eminent figures as my fellow-Member Mrs Weiss have stated in *Le Figaro* that they are in favour of the death penalty but leave the whole problem of the means of execution up to us, in other words that they are against the guillotine. Well I think that these two problems are inseparably linked. There is no difference between deciding to have the death penalty carried out and actually carrying it out, because it is totally impossible to find a dignified way of taking life. To sum up, I feel the death penalty is inhuman and degrading.

I should like to add that a certain number of points concerning the psychology of major criminals ought to be highlighted so that we can understand them. There are first and foremost obvious suicidal impulses. All murderers are seeking to kill themselves, and who can at this time say where the boundary between normal and abnormal behaviour lies when we are talking about the psychological make-up of a murderer? Should our society wreak vengeance on sick people? In a civilized society like ours, executions, Madam President, can only appear as what they truly are: barbaric acts.

**President.** — I call the non-attached Members.

**Mr Paisley.** — Madam President, I represent the small province of Northern Ireland, which has seen 2 000 of its people savagely murdered and 20 000 maimed by terrorists in recent years, and I wish to state quite unapologetically that my concern and my sympathy is with the victims of terror rather than the terrorists. I am therefore very concerned that those who wantonly bring death to others should be dealt with in a way which fits the terrible crime they have committed. The Bible, which is the word of God, teaches plainly both in the Old and New Testaments that capital punishment for capital crime is the law of God. The apostle Paul was an advocate of the same. Therefore it is my firm belief that the only punishment which fits the heinous crime of murder is the death penalty for the murderer. Anything less is, in my opinion, an insult to the memory of the murdered, a slight to the sanctity of human life and no deterrent to potential murderers. I do not accept for one moment, Madam President, that to the would-be murderer the possibility of a few years in gaol is as effective a deterrent as the certainty of capital punishment on conviction.

In Northern Ireland, where alas the death penalty for terrorist murders has been effectively abolished, the majority of the murders are being committed by young men who have joined the Irish Republican Army and carried out their foul deeds in the sure knowledge that, if caught, they will spend perhaps as little as ten years in gaol, due to the absurd 50% remission scheme which operates there. I am convinced that if capital punishment operated, then these young men would know that if they murdered, then assuredly they themselves would die. That sobering thought would cause many of them to shy away from taking the lives of their fellows. That is why the IRA is fighting any effort to bring back the death penalty in Northern Ireland.

Let me add that the argument peddled here today, amid so much sentimentality, that society has no moral right to take the life of any citizen, even in punishment for his crimes, is utterly spurious. In a society where

**Paisley**

death is the penalty for murder it is not society that takes the murderer's life but the murderer himself, for he knows before he commits his crime that when convicted he will forfeit his own life. Unlike his victim who dies without choice, the murderer by his own act chooses to die. In my book that is just and fair.

Therefore, Madam President, I will be casting my vote against this resolution in the belief that it would have been more fitting for this Assembly to have spent its time urging policies to spare the murdered rather than the murderers.

**President.** — I call Mr Sieglerschmidt.

**Mr Sieglerschmidt.** — (*DE*) Madam President, ladies and gentlemen, is the human race really progressing from bestiality to humanity? One could well doubt this when faced with the reality of the holocaust which cost the lives of millions of Jews and the acts of genocide committed in the not-so-distant past.

And yet, ladies and gentlemen, there are signs of hope for a better future. For example, we cannot overlook the fact that nowadays nobody would venture to justify publically his warlike intentions. Nor can we overlook the fact that nowadays nobody would dare to speak favourably of war as the father of all things or to call war a 'tempering fire' but everyone, even if he is unleashing the most serious war of aggression, refers only to a defensive war.

The movement for the abolition of the death penalty, which is gaining increasing support among nations is also a sign of hope. Madame President, it is the national that must lead the way in this direction. When the death penalty was constitutionally abolished in Western Germany in 1949 — this has already been referred to several times — opinion polls revealed that a substantial majority of the population were still in favour of it as a punishment. At that time, one of the originators of the Basic Law Carlo Schmid, during a debate on the death penalty, coined a phrase which has become famous in Germany: he would in such matters, place more trust in the enlightened absolutism of the Parliament than in the so-called common sense of the people. Hence it is nowadays still the task of the national to lead the way in this direction.

There is an intrinsic connection — and this has emerged several times during the debate — between the strict prosecution and punishment of murder and the abolition of the death penalty. Both are a means of protecting the right to live, even the criminal's right to live.

Let nobody believe that the death penalty acts in any way as a deterrent to terrorism. Reverend Paisley, you of all people should not use this argument to conceal unchristian vengefulness because in Northern Ireland

terrorists are prepared to starve themselves to death for their convictions.

(*Applause*)

And you speak of the death penalty as a deterrent! In those countries where the death penalty has been abolished, there remains only lawful homicide, homicide which is so to speak permitted by law, as an act of self-defence and as an emergency measure to counter an unlawful attempt on one's life. I should like to make it clear that any widening of the definitions of self-defence and emergency measures to include the protection of anything other than lives should not be admitted.

There is also — and it must not be forgotten — an intrinsic connection between war, the outlawing of war and the abolition of the death penalty. Even war is seen by us as a means of collective self-defence. However, ladies and gentlemen, this argumentation is becoming increasingly questionable in this era of weapons capable of mass destruction. Hence, we may imagine today that worldwide abolition of the death penalty is no longer unrealistic, as Mr Janssen van Raay has reminded us. Only when we have then attained this score — and we should be clear about this — will we be nearer the greater goal, that one day mankind will be able to inscribe into the Charter of the United Nations the simple sentences: War is abolished.

**President.** — I call Mr Price.

**Mr Price.** — Madam President, two adults set off on a walk together one morning. The purpose of one of those adults is to kill the other one. Now that, if you have the death penalty, is the duty which we as a State entrust to a civil servant. In my view it is totally inconsistent in principle to say that violence and murder are wrong and then to authorize it and carry it out as a State. And so, for me, consistency of principle is the major argument here.

However, let us have a look at the two arguments that have so far been advanced in this debate in favour of the death penalty. One is retribution and the other one is deterrence. So far as retribution is concerned, I recall a case where a distinguished person was killed in Ireland and his widow was afterwards asked if she did not favour the return of the death penalty, so that those who carried out this deed would themselves be killed. She responded almost with incomprehension, saying 'What good would that do?' It will not bring back my husband. A self-evident statement of fact. What good is retribution? It can only make a society still more violent. And so I reject that argument completely.

I find the argument of deterrence one that has to be taken and considered a lot more carefully. If, in fact,

**Price**

there were statistics that showed that innocent lives were preserved by having the death penalty, I would be persuaded that it was a very regrettable necessity. Now we have, of course, plenty of experience in the progressive abolition of the death penalty in European countries. In the United States there are comparable states, some with and some without the death penalty. And what is abundantly clear is that nobody can produce any arguments or any figures to show that the death penalty is a deterrent. Many studies have been carried out, many figures have been produced, but that is a fact. For that reason I reject both the arguments that have been adduced in this debate for the death penalty.

It seems to me that the two other points that really ought to be taken into account, and which have not received great mention in this debate, are these. First, the argument of mistake. Supposing that you, through some unfortunate circumstance, were convicted of a murder that you had not committed, you could forfeit your life as a result. That has happened. We cannot afford judicial error in this kind of circumstance.

Lastly, as far as this European Parliament is concerned, I believe that a clear declaration of principle of this kind implemented by national states — and all we can do is to call upon them, of course — would open the way to cooperation in suppressing terrorism. I believe that this is a practical reason why the states of Europe should get together and apply that principle.

Madam President, I shall vote against the death penalty and therefore in favour of this motion.

**President.** — I call Mr d'Angelosante.

**Mr d'Angelosante.** — *(IT)* Madam President, I should like to make the following remarks, on the topics covered by previous speakers whilst seeking to add something a little different to them. First of all, I should like to say that I agree with the rapporteur or — more precisely — that I feel that the problem that the rapporteur raises on the subject of the Community's competence should be answered in the affirmative given that, in the legal sphere, directives have already been issued and similarly provisions of a legal nature have been included in Regulations approved by the Council after having received favourable opinion from Parliament.

In any case, the problem of our competence does not arise in this House given that we are in the habit of dealing with topics which involve human rights in the broadest sense of the term. On the credit side, ladies and gentlemen, I should like to mention that in this part of the world the death penalty may now be considered as abolished everywhere and also as eliminated from the consciousness of the peoples of Europe, and it is this universal consensus of

opinion which should be considered as the strongest argument in favour of abolition. Neither do the arguments put forward in favour of abolition seem to me to be questionable, arguments which are contained in the report before us today, and which bring out both the irreparable finality of the death penalty — which was pointed out as long ago as Beccaria's time — since a mistaken judgment takes on a terrifying and irrevocable finality in cases where the death penalty has been administered, and the ineffectiveness of the death penalty, a subject on which many of us have already spoken, since its abolition does not automatically lead to a change in crime statistics. Similarly, there is absolutely no doubt that this penalty is cruel. The death penalty is in fact a hangover from the notion of justice as vengeance.

However, on the other hand I should like to point out that I am not convinced by the argument that the death penalty is a violation of the right to live, inasmuch as this is both self-evident and inadequate, because any legal sentence violates basic freedoms since it means that one is prevented, totally or temporarily, from exercising such rights. I should like to add that to establish a relationship between the State's right to punish and the rights of its citizens could well lead to fruitless discussions, whilst at the same time it would be useful, in order to further the abolition of the death penalty, to establish that the state's right to punish cannot be extended to cover this area.

I find the reference to the 1977 Convention of Extradition, and to that on the setting up of a European judicial area, signed in Dublin in 1979, interesting and I think it would be an extremely positive step to extend their sphere of application in such a way as to reinforce the humanitarian measures in existence today. Unfortunately, the progress of these Conventions has been strewn with obstacles even though their content is limited in scope and what is more extremely reasonable, since they aim at making the extradition of terrorists possible where previously the political nature of their crimes might have prevented this at least within the Community. Well, in spite of what I have just said, all the signatories to these conventions have not ratified them. How many obstacles I ask you, ladies and gentlemen, would a convention encounter aimed at a general harmonization of the main penal regulations and procedures governing the execution of sentences?

However, I am in agreement with the aim laid down in the report, particularly when faced with the blood-curdling fact that political prisoners are being allowed to die simply because barbaric laws which govern their inhuman and degrading treatment are not being changed. These are the reasons why the Italian Communists and their Allies will vote in favour of Mrs Vayssade's report.

**President.** — I call Mr Poniatowski.

**Mr Poniatowski.** — (FR) Madam President, I should like to inform my fellow Members that I have already on several occasions examined and pondered the problem we are dealing with today, which is an exceptionally serious one involving our sensitivity, our humanity and also our human emotions and which should give us food for thought.

I can agree with the Vayssade report since it is, for most of the points raised, a good report. This may surprise here, but it is nonetheless true. I think that when pondering this question in most cases one comes to the same conclusions reached by the rapporteur. However, and this is why I shall not be voting in favour of this text, I see two exceptions to this rule, Mrs Vayssade, and they are exceptions based on my own experience. I think that when a child is killed after having been kidnapped and held to ransom, and in some cases when a child is killed in an extremely brutal manner, there should be a supreme penalty, because this is the ultimate crime committed against total innocence.

There is another case in which I feel that the death penalty should be applied, based on my own personal experience, and that is when someone is taken hostage and then executed, which is an example of cold-blooded, deliberate and premeditated execution.

In the two cases I have just mentioned, I think that a death sentence and execution are justified. On the rest of your report, Mrs Vayssade, I am in agreement, it being in line with the trend in attitude and customs and with the progressive path which mankind should be now taking.

**President.** — I call Mrs Ewing.

**Mrs Ewing.** — Madam President, as with the case of Mr Israel, I speak from my own point of view and I speak as one who for twenty years of my life spent considerable time defending people accused of murder. Some of these people were acquitted and others were convicted. It was not my job to decide the guilt but to be the advocate in the cause. Often after the case was over, I had severe doubts, both, I may say, in the case of acquittals and convictions. If you are in favour of the death penalty, then logically you must accept the possibility — and it is a proven possibility — of hanging innocent men. Now it is natural to be very sympathetic to the victim of a crime of violence. But how terrible it is to hang or guillotine someone who is innocent: There was a very famous *cause célèbre* in Scotland where the man was not hanged and seventeen years later he was pardoned — if you will excuse the comical word that is used in the United Kingdom — for a crime he did not commit. There have been many *causes célèbres* in English law and of course in every other country. You can read a book *Hanged but Innocent*, which actually only goes

into four of the cases where it is known that the wrong person was hanged.

So if you support the death penalty, then in logic you must accept the possibility that, perhaps not often but from time to time, in every generation, someone will receive the death penalty who did not commit the crime of which convicted. That is the first thing I would like to say.

Secondly, on deterrence, I would like to agree with Mr Price and that will save time, because I think he put my point of view. But I would say to Mr Catherwood's argument, which was the other way around, that really to be fair on deterrence, you must distinguish between different types of murder. Those of us who really work in this field know that nothing deters certain crimes of passion, nothing deters many cases where the person is drunk, and in a drunken brawl, kills. Nothing deters many cases of murder between husband and wife. That is a proven fact. So you are really left asking in those murders where you might think someone would be deterred, does the death penalty really deter? So when you look at the crimes of violence there is only one fair way to do it, which is to distinguish between types of murder, if you really want to deal with the question of deterrence. And even having done that you should bear in mind that the most important study I think made in modern times was that of the Royal Commission on Capital Punishment, which looked at every European country at the time, and came to no conclusion whatsoever.

The onus rests, Madam President, on those who take life. So if you support the death penalty, the onus is on you. It is not on me, an abolitionist, it is on those who defend the positive act of taking life. So you must be very satisfied that your arguments are correct.

Lastly, Madam President, having known a bit about this from the inside, I would say that the act of taking life, justifiable homicide by the State, if you like, degrades those who execute it, degrades those who arrange it, it degrades those who have to watch it officially, sometimes very reluctantly. It degrades much of society, unfortunately there is an element there who take a ghoulish, obscene delight in reading the notice at the prison gate. I think that is a degradation of mankind not dissimilar to the degradation of the criminal himself; surely the State should rise above the acts of criminals.

**President.** — Mr President of the Council, I would ask you to excuse the fact that we are running late, but I would like to finish the debate before calling you for your statement. I insist that no speaker exceed his or her speaking time from now on.

I call Mr Vardakas.

**Mr Vardakas.** — (GR) Madam President, Mrs Vaysade's report reminds me of my esteemed professor of criminal law at the University of Thessaloniki, later professor at a European university, who used to say to us: 'Gentlemen, for the sake of our culture and out of respect for the right to live, the death penalty must be abolished.' And we, young as we were at the time, like the other apostles, sought through lectures and newspaper articles to support this law taught to us by the scholars. It was a romantic age with romantic ideas.

Today, as I read the report, I found myself, believe me, in a great dilemma. The origin of this dilemma of mine was the experience of the present, of the state of affairs in the world today. Ladies and gentlemen, the cries of the women and children and of the innocent citizens of various countries are still ringing in my ears: 'Why do you kill us? Why do you deprive us of the right to live? What have we done?' Terrorism, ladies and gentlemen, violence, abduction, human monsters whose job it is to kill. They are paid to execute, people like Carlos, people like Meinhof and many others. And what did. . .

**President.** — I am sorry to have to interrupt you, but your speaking time is up.

I call Mr Plaskovitis.

**Mr Plaskovitis.** — (GR) Ladies and gentlemen, the amount of speaking time left to me is hardly enough for me to add anything substantial on such a wide subject, which is dealt with so thoroughly and conscientiously by Mrs Vaysade in her report. I shall confine myself, therefore, to testifying in this House to Greece's tragic experience that the inhuman death penalty is based mainly on a desire for revenge and retribution and does not fulfil any of the purposes of punishment which are scientifically recognized nowadays, that is to say it neither seeks to reform the criminal nor serves to prevent crime. This is demonstrated by the fact that a staggering number of death sentences were passed and carried out during periods of upheaval in our national life, during periods when political and ideological fanaticism was rife, the victims mainly being people who challenged the authority of the state, which means that the offences were basically political. Leaving aside the period 1922-1935 and earlier ones, during which even ex-ministers and prominent politicians and military men were executed, we only need to look at the period of the 1946-1951 Greek Civil War, to see how the death penalty was applied. There were more than 4 000 executions and — in many cases — judicial murders of opponents of the regime. But the reasons behind the death sentences on common-law criminals are also questionable when international experience and historical research are taken into account, since these lead to the conclusion that as a rule the people

who have suffered execution belonged to the category of 'marginal types', for whose crimes the ruling class cannot be considered blameless.

In supporting these views, the PASOK has opposed the retention of capital punishment in Greece. In February 1980 we tabled a motion in the Greek Parliament seeking to abolish the death penalty. Today the 1975 Constitution of the Hellenic Republic lays down in a new provision that respect for and protection of human dignity constitute the main obligation of the state. At the same time it forbids torture, psychological violence and any other attack on human dignity. At the same time, however, the death sentence is retained for two common-law offences and for 'compound' political offences, while the military penal code provides for a number of other cases in which the death penalty may be imposed even during peacetime. How can these things be reconciled? How can anyone fail to realize that the agony of the death-call is one of the most terrible tortures that an organized civilized society persists in retaining as its right for use against human beings?

Ladies and gentlemen, even the worst criminal is human. Respect for human beings means respect for the sanctity of life and not its destruction. If the criminal does not respect this sanctity, that is no reason for organized humanity not to respect it. It would be a worse mistake than that of the criminal or terrorist if we were to acknowledge his triumph by imposing his law and his morality and, consequently, by using murder as the only solution to the problems caused by crime.

Individuals or groups morally hardened and blinded by suffering may become terrorists. Criminals may also be terrorists. But the state must not become one.

**President.** — I call Mr Zighdis.

**Mr Zighdis.** — (GR) Madam President, I should like to extend my sincerest congratulations to Mrs Vaysade and Mrs Macciocchi for the reports and the motions which they have submitted to us. We Greek Members of EDIK are in favour of abolishing the death penalty. This would be an extremely simple matter in our country, since the same Constitution, which provides for the absolute protection of life and forbids any kind of torture or ill-treatment under Article 7 (2), by way of exception — and contradiction — allows executions. Abolishing the death penalty would therefore remove a contradiction from the Constitution.

In Greece, moreover, we have one great protagonist of the abolition of the death penalty — the Orthodox Church. At the meeting held in Athens in 1960 to discuss the death penalty, the late Professor Alivizatos, one of the greatest theologians of modern Orthodox

**Zighdis**

thinking, stated that the Orthodox Church accepted the death penalty out of respect for the state, but could in no way justify it. Under those circumstances, Madam President, abolishing the death penalty — and not just suspending executions — is a question of replacing those responsible for governing the country. After the next elections, when the forces of progress have come to power, I hope that they will abolish this disgrace to our age. There can be no doubt that this Parliament must be in the forefront of the crusade to abolish the death penalty. This Parliament represents the spirit of our common culture based on the human being — the culture which signifies love and which is inspired by the commandment 'Thou shalt not kill', whether you are a person or a state.

**President.** — I call Mr Godikas.

**Mr Godikas.** — (*GR*) I should like to say that we must be very optimistic if we think that we can reach a decision today either in favour of or against something which, as Mrs Vayssade rightly pointed out, has been under discussion for centuries.

Apart from their deeply humanitarian note, the arguments which have been advanced here today — and I am referring to the legal arguments — are in my view totally specious. What are these arguments?

One of the arguments put forward by those in favour of abolishing the death penalty is that, in many countries, the death penalty has fallen into disuse. However, Madam President, if the penalty has fallen into disuse, what reason is there for us to confirm this situation today with a decision on our part?

The second argument is that there are undoubtedly cases of judicial error. The report and the detailed discussions in committee avoided confusing us with figures. Sir Fred Catherwood was right — the statistics were not made available to the committee, and if we had had them, we might have seen to what other conclusions they could have led us. In any case, statistics are like a spotlight — people can use them to highlight different things. Madam President, we must be realistic: the subject under discussion is divisive and can lead to political exploitation. However, we must not forget that, if we leave aside the countries of the Community, the rest of the world — more than 140 countries — has different systems. Even those countries which like to call themselves democratic and which frequently condemn us for various reasons actually decide not to abolish the death penalty. I myself am against abolishing it at this stage, and I hope that Parliament will finally decide to postpone the matter to a more opportune moment.

Another factor we must not forget is that abolishing the death penalty means that the legal system of a country has to be changed, and this is a process which takes years.

**President.** — I call Mr Frangos.

**Mr Frangos.** — (*GR*) Madam President, we have heard arguments in favour of the abolition of the death penalty, based mainly on judicial errors and on the fact that only God, who gives life, has the right to take it away. We have also heard arguments against abolition, with particular reference to the current wave of violence and terrorism — we need only think of the attempt on the life of the Pope and the murder of Aldo Moro — and the need for a deterrent to prevent potential terrorists committing crimes. However, Madam President, the fact is that there is no worse violence than that of the state, and we cannot but recognize that the death penalty is inhuman and an offence to our dignity, decency and culture.

It has been said that terrorists should first of all stop killing before the state abolishes the death penalty. However, the state — states in general, i. e. society — which nurtures, educates and trains criminals alongside its other citizens has a duty first of all to try to demonstrate that violence and manslaughter are evils which must be prevented and eradicated. After all, some of the responsibility for the crime and violence lies with the states in which the criminals live and are educated.

Were not the assassination of President Kennedy and the attempt on the life of President Reagan largely due to the fact that arms can be sold freely in the United States? It is also of significance in this context to note that the statistics indicate that in countries which still have the death penalty — Turkey, for instance — crime and violence have not ceased.

I myself, therefore, will be voting in favour of Mrs Vayssade's report and in favour of abolishing the death penalty.

**President.** — I call Mr Katsafados.

**Mr Katsafados.** — (*GR*) Ladies and gentlemen, there are two aspects to the problem of the death penalty. Firstly, there is the question of whether society has the right to impose the death penalty or whether it has absolutely no right to do so.

Secondly, there is the question of whether, even if society has this right, it is expedient to impose this penalty.

The main argument of those who are in favour of abolishing the death penalty is the absolute value of human life. The value of human life is greater than any other inherent or conventional value, so that taking away human life cannot be justified on the grounds of the protection of any other value. This argument, however, is self-defeating since, to quota the great

**Katsafados**

German philosopher Hegel, if the life of the individual has absolute value, this is all the more reason why the life of the many has absolute value.

However, the life of the many depends on the existence and maintenance of a social order, since without this human life cannot develop and there can be no absolute value of the social order essential for it. If, therefore, the imposition of the death penalty is necessary for the maintenance of a social order, then society has the right and the duty to impose the death penalty.

This therefore answers the first question. Society has both the right and the duty to impose the death penalty if this is necessary for the maintenance of the social order.

This answer also indicates a solution to the second question. If the death penalty is possible only where it is necessary, there can be no general and absolute answer as to the necessity and expediency of its imposition.

The answer depends on the specific circumstances of each individual society. Logic and experience have shown that the abolition of the death penalty had different effects in different countries. In some countries it left the crime rate unchanged or reduced it, while in others it led to such an increase in crime that the death penalty had to be reintroduced.

The same is undoubtedly true of the countries of the EEC. Circumstances in some countries may permit the abolition of the death penalty, while in others it may not.

This is something which will have to be decided by each individual country and for each country individually. There can be no general and standard solution, and I therefore propose that the motion calling for such a solution be rejected.

**President.** — I call Mr Papaefstratiou.

**Mr Papaefstratiou.** — (GR) Madam President, I shall not impose upon the House for long, since I think that the arguments on both sides have been exhausted.

I fully appreciate the feelings of the honourable rapporteur and of those Members who have spoken in favour of the motion and in favour of abolishing the death penalty. However, I think it is somewhat utopian to call for something so complex and special as the abolition of the death penalty — a negative measure whose implementation differs from country to country according to the circumstances and has been restricted, as has been pointed out, to such an extent that it is more or less abolished in all the countries of the Community. Particularly at the present time,

which is marked by an unfortunate increase in terrorism and crime among young people, I do not think that this is an opportune moment for us to make a general call — based on arguments which are purely emotional — for the abolition of the death penalty. In my own country, the death penalty is imposed very rarely, and only for brutal crimes, and even then only when at least two judicial instances have established the dangerous personality of the criminal and the brutality of the crime.

In brief, therefore, I shall be voting against the motion for a resolution.

**President.** — I call Mr Vlahoroulos.

**Mr Vlahoroulos.** — (GR) Madam President, I shall be brief.

To start with, I should like to say that, unlike the other Greek Members of the New Democracy — with the exception of Mr Frangos — I am in favour of abolishing the death penalty, despite the fact that violence and terrorism are on the increase. I hope, however, that the positive effects of abolishing the death penalty will outweigh the negative ones. What is more, it must be admitted that such a move would be an act of humanity.

While I am on the subject of acts of humanity, I should like to say something about the punishment of the criminal. There can be no doubt that the death penalty is the ultimate in the catalogue of punishments, and it is right and sensible that we should start at the beginning of the catalogue — in other words, before we start talking about death sentences and executions, should we not perhaps start at the beginning and look at life in the prisons and cells where the convicted and the accused are kept? Has there ever been a study of how the convicted live and serve their sentences? Have we ever taken a close look at their problems? Have we perhaps forgotten that imprisonment produces more living dead each day? Have we ever asked ourselves how many prisoners try to take their lives, and why? Perhaps therefore, Madam President, before we show human sensitivity for potential murderers, we should show some interest now for those who cannot cry out behind the bars of the prison, so that their voices can reach as far as this Chamber.

**President.** — I call Mr Sieglerschmidt.

**Mr Sieglerschmidt.** — (DE) Madam President, I find it scandalous that certain non-attached Members should have exploited, indeed abused, the possibilities allowed them by the current Rules of Procedure in order to say nothing at all. I hereby give notice that I shall put a proposal to the Committee on Rules and

### Sieglerschmidt

Procedure to make this kind of abuse on the Rules and Procedure impossible.

*(Mixed reactions)*

**President.** — Mr Sieglerschmidt, the non-attached Members were allowed 19 minutes under the Rules of Procedure, and they did not exceed that time.

*(Applause from the European Democratic Group)*

The debate is closed.

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

### 6. Council statement on the Dutch presidency

**President.** — The next item on the agenda is the statement by the President-in-Office of the Council on the Dutch presidency.

I call the Council.

**Mr Van der Mei, President-in-Office of the Council.**

— *(NL)* Mr Van der Klaauw had wanted to be present here today, but has unfortunately been prevented from attending by an invitation he has received from the ASEAN countries to attend their conference in Manila.

Madam President, even under normal circumstances, reviewing the work of a Presidency is a hazardous undertaking. Each Presidency lasts for only six months and begins and ends at purely arbitrary moments in the life of the Community. An additional problem this time is that the Community is going through an extremely difficult phase in its development, both from the point of view of economic stagnation and as a result of the heavy burden imposed on it by the process of budgetary reform. Despite these limitations, I think it a matter of great importance to report back to the European Parliament on the situation in the Community and the policies we have been pursuing. Of course, we cannot give an exhaustive review of our activities at this moment in time, because decisions are still due to be taken between today and the end of this Presidency in a number of important sectors, decisions which will have to prepare the way for the policy to be pursued in the near future. I am thinking here particularly of the problem of restructuring, which the European Council will be devoting its attention to for the first time at its meeting in Luxembourg on 29 and 30 June. I am also thinking of the decision needed on the Commission's proposals on the crisis in the steel industry. These have just been presented to the Council and have as their deadline 30 June. Finally, the general

Council, meeting on Monday and Tuesday next week, will be asked to take a number of decisions in certain relatively important fields, such as the multifibres agreement and the new financial protocols with countries in the Mediterranean region.

Notwithstanding the fact that, at the present moment, the Dutch Presidency is by no means over, it is possible to take a look back over the past six months. On 14 January, Mr Van der Klaauw spoke before the European Parliament and painted a picture of an economic and political climate in Europe and elsewhere which was bound to give cause for concern. Looking back, I think we can say that the picture he painted was anything but excessively pessimistic. Unfortunately, there has been no recovery in the rate of economic growth in the Member States over the past six months. Inflation and unemployment continue to cast a dark shadow over our societies. The widening gap between government income and government expenditure has given rise to certain tensions which directly affect the Community. There is also the fact that the Community's readiness to take decisions, which leaves a lot to be desired even at the best of times, has, over the last six months, been seriously affected by the political events in certain Member States. That being so, you will no doubt take it on trust that this situation has tended to reduce still further the limited room for manoeuvre usually available to the Presidency, and has in particular seriously jeopardized any attempts to launch new policies.

The same applies to the problems which have recurred this year over pay increases for European civil servants. You will no doubt be aware of the problems the Council has had and the lengths to which the Presidency has gone in order to find a generally acceptable solution to this problem. In the speech he gave before this House last January, Mr Van der Klaauw identified four main priorities, to wit the process of restructuring facing the Community, the economic crisis, international economic relations and the institutions.

I should like to concentrate on these four points. But, Madam President, I should not like simply to pass over one important development which took place over the last six months, namely the accession of Greece to the European Community. The way in which Greece has managed to find its rightful place in the complex structure of the Community deserves a special mention. As a result of the Greek experience, Madam President, we are all the more convinced that the Community must persevere with its endeavours to bring about the accession of Spain and Portugal, and the Presidency has done everything in its power over its period of office to ensure that the accession negotiations are conducted with all due speed.

Turning to the four main priorities identified just now, I should like to begin by making the point that, right from the outset, the Presidency insisted that, over the first six months of 1981, it would only be possible to



**Van der Mei**

make a start on considering the restructuring of the Community. We hope that proposals on this point will be forthcoming from the Commission in the near future, whereupon the European Council will be able to have a preliminary discussion on the matter, and, we assume, give instructions that this very wide-ranging problem be gone into in more detail with a view to a decision being made later in the year. Anticipating the Commission's proposals, the Presidency has taken various opportunities, including the informal discussions held by the foreign ministers in Venlo, to initiate discussions on the restructuring issue. Regular consultations have also been held with the Commission. The Presidency, Madam President, is conscious of the difficult job the Commission is being asked to do. The Commission bears the grave responsibility of ensuring that the initial stages of the negotiation process on the restructuring issue are aimed at strengthening and consolidating the Community structure.

As regards the second priority — tackling the economic crisis — I think important progress has been made towards achieving a more Community-minded approach to the pressing socio-economic problems. The combined meeting of the Ministers of Finance, Economic Affairs and Social Affairs on 11 June is as much an indication of this as the discussion on the social measures which must accompany the restructuring process in the steel industry.

Madam President, I should like to emphasize to Parliament that we regard this as a development which may well have far-reaching consequences for the Community, among other things because a concern with social aspects and employment questions will bring Europe nearer to the European man in the street. In my view, this combined Council has shown that the political will for a joint approach to this field of activity is there. In this context, I would also point out that maintaining employment in agriculture was also one of the factors which speeded up a decision on the farm price proposals for the 1981/82 marketing year. As regards the third priority — international economic relations — particular mention must be made of the strained relations between the Community and Japan over mutual trade. The Community's balance of trade deficit with Japan has reached unacceptable proportions. Despite numerous contacts with the Japanese authorities, there is unfortunately still no sign of a balance being re-established, since Japanese exports continue to be directed towards sensitive sectors of economic activity in the Community. The Presidency, Madam President, has done its best to coordinate the reactions of the Member States, with a view to strengthening the Community's negotiating position as much as possible. It is a good sign that, despite the serious economic situation, the Community has been able to resist the temptation to introduce protectionist measures. On the other hand, it cannot be denied that the external solidarity of the Member States is under serious pres-

sure in this field — pressure which must be resisted at all costs.

The fact is that Europe's international competitiveness is by no means good, and it would be seriously affected if protectionism were to be introduced into world trade. In this connection, I would draw your attention to the successful outcome of the talks with New Zealand on future sales of butter, and with Australia on beef exports. Good relations are being established with the new administration in the United States, and there is every reason to be optimistic about future cooperation, although there are naturally a number of difficult points to be discussed. In particular, there is the problem of what is widely regarded as the excessively high level of interest rates in the United States. Madam President, in addition to the contacts we have had over the last six months with the industrialized countries, the situation in the developing countries has also been of concern to us, and in this connection I would draw your attention to the position the Community has adopted in the North-South Dialogue.

The fourth subject I should to discuss here — albeit very briefly, in view of the short time available to me — concerns the Community institutions and the cooperation between them. Traditionally, this is something the Dutch have always regarded as crucial, and during its period of office in the Presidency my country gave it particular attention. In the current period of reflection over the future of the Community it is more necessary than ever before that the Community's institutions should function properly. What is perhaps even more important, they must work together to achieve the common objective — the further development of European unification. In my view, the first requirement for this is that the institutions should take one another seriously and that they should therefore be prepared to listen to one another. Madam President, in its relations with the European Parliament, the Dutch Presidency has tried to establish a climate of trust and mutual respect. This is something which naturally takes time, but I think some progress is being made. Among other things, this can be seen from the frequent presence of members of the government at plenary sessions of your Parliament and at committee meetings. Under the Dutch Presidency talks were started with a view to giving Parliament a greater insight into the Council's considerations when deliberating on the various budgets. We are looking into how far a greater opportunity can be provided for consultations between the two institutions, and measures have also been taken within the Council with a view to improving the implementation of your resolutions.

Madam President, before I wind up my presentation — which had to be brief because of the shortage of time — I should like to say something about European Political Cooperation, which I know is something to which Parliament also attaches great importance. The Dutch Presidency has made efforts to achieve a

**Van der Mei**

unified stance on the part of the ten Member States. However, the fact that the ten Member States have spoken with a single voice on a number of major foreign policy problems under the Dutch Presidency is due more to the positive attitude of the partner countries and to the pragmatic form of cooperation which is a great support to each presidency. Despite this, the partners in European Political Cooperation are convinced that the present cooperation can be improved still further. Various suggestions have been put forward over the last few months, some specific ideas have been mooted, and initial discussions have been held between the ministers. In view of the informal nature of discussions to date on these suggestions, no specific decisions can yet be expected.

Madam President, over the last six months, and within the limits of the structure imposed on EPC — limits of which Parliament is well aware — the Dutch Presidency has done its best to respond to Parliament's legitimate request to be more closely involved in political cooperation.

In this context, the extensive exchange of views at the meeting with the Political Affairs Committee in Brussels on 18 February last can be regarded as a good start towards having a more policy-oriented cooperation in place of a simple informative meeting, and I can assure you that Mr Van der Klaauw is looking forward to meeting the Political Affairs Committee for a second time on 25 June in The Hague, again in the wake of a ministerial meeting in the framework of political cooperation. You will also be aware that improving relations with the European Parliament was one of the items discussed at the informal meeting of the foreign ministers in Venlo. In view of the informal nature of the talks, no decisions were taken, but I need hardly say that the Dutch Presidency is in favour of the suggestions made there being looked at in greater detail and, if possible, being put into practice.

Madam President, I shall try to give you a brief review of the major items discussed by the Ten in the last year under European Political Cooperation. Over the last year, the Ten have made efforts to establish whether they could contribute towards achieving an overall, lasting and just peace settlement in the Middle East. Continuing along the lines laid down by the Venice Declaration of 13 June 1980, Mr Van der Klaauw visited a number of countries in the Middle East in his capacity as President-in-Office of the Council of Ministers and on the basis of the remit given by his colleagues. Talks were also held with PLO leader Yassir Arafat and the Secretary-General of the Arab League, Mr Klibi. Moreover, there were several exchanges of views on the Middle East with the American Secretary of State, Mr Haig, and the Presidency established contact with important Palestinian personages from the occupied areas. The findings of this mission are currently being evaluated, and at the next ministerial meeting on EPC on 22 June the President-in-Office will report on his findings and conclusions. I

do not think I can say more at this stage. Events in the Lebanon prompted the Ten to make their standpoint quite clear once again. The frequent representations made by the Ten have contributed towards avoiding a further escalation of the explosive situation. We continue to attach great importance to the entire situation there and assume that the sovereignty of the legitimate government over its entire territory will be re-established.

The ten Member States have reacted with serious concern to the attack by the Israeli Air Force on the Iraqi nuclear installations being constructed near Baghdad. Their view is that military action of this kind can only lead to an increase in tension in the region. Only recently, the Dutch Presidency, acting on behalf of the Ten, expressed its condemnation of the Israeli action in Tel Aviv. As you know, preparations are now underway for a ministerial meeting of the Euro-Arab Dialogue, and the ten Member States and their Arab counterparts have discussed details of the agenda and organization of this unprecedented conference. The aim is to have a meaningful, fruitful meeting which will discuss not only economic matters, but political matters as well. It is a pleasing prospect that this will put Euro-Arab relations on a firm footing on a wide range of questions.

The second stage of the CSCE follow-up conference started in Madrid on 27 January, but has unfortunately not yet produced any satisfactory results. Despite that, it is satisfying to note that cooperation between the Member States of the Community can still be described as excellent. Cooperation with the other western countries and with the non-aligned states can also be described as fairly good. The Ten will continue their active approach during the further negotiations in Madrid, in which developments on the international scene will play a major role. It is self-evident, Madam President, that events in Poland are continuing to receive the attention of the Ten. Since the European Council discussed Poland on 2 December last, the situation in that country has developed further. At the European Council in Maastricht on 23 and 24 March it was noted that Poland had shown itself to be in a position to tackle its internal problems itself in a spirit of fairness and responsibility. The Council repeated its view that the Polish people must be allowed to follow its chosen course in peace and without interference from outside. In this context, it should also be pointed out that the Ten have reacted favourably to Poland's request for economic aid, both individually and on a Community basis. They are prepared to help in the recovery of the Polish economy, in support of the Polish people's own efforts.

As you know, a procedure for exchanging information has been established between the Ten and the Turkish Government, and two rounds of talks were held in the Hague under this system during the Dutch Presidency. Both during these talks and in bilateral meetings with the Turkish Foreign Minister the Netherlands

**Van der Mei**

expressed the Member States' views on the human rights situation in Turkey and on the need for a return to parliamentary democracy as soon as possible. The Ten have noted with interest that the Turkish authorities have now put forward a timetable for a full return to a parliamentary system. Madam President, the governments of the Member States are fully conscious of their responsibility to make every effort to promote and protect human rights everywhere, and ample attention was paid to this aspect under the Dutch Presidency. As regards the western hemisphere, very close contacts were maintained during the last six months between the Ten and the United States, and the Dutch Foreign Minister had frequent talks with his American counterpart on the Middle East.

The American Government too is kept informed of decisions taken within the context of European Political Cooperation which are also of relevance to the United States. The Ten have regularly discussed the situation in Central America in general, and in El Salvador in particular, and take the view that a political solution for the conflict in El Salvador must be found by means of a dialogue between the junta and the opposition. The Council welcomes the attempts at mediation from various quarters including the International Christian-Democratic Movement and the Socialist International. In January of this year the Dutch Foreign Minister stressed the importance of a stable development in southern Africa and, in particular, the role of Zimbabwe. It is pleasing to note in this connection that the ten Member States individually and as a Community made a substantial contribution towards the success of the conference on the reconstruction and development of Zimbabwe held in Salisbury at the end of March.

Madam President, partly for reasons of time, I must bring my remarks on Political Cooperation to a close. However, before finishing I should like to say that I hope the British Presidency will be able to carry out its task with a great deal of patience, wisdom and strength, since this task will be difficult and involve considerable responsibility in the second half of 1981 too.

And now a few final remarks. The last few months have been uphill work for the Community, and hence for the Presidency, and the debates in this Parliament led me to think that Parliament too has often been aware of this. However, the Presidency has not let itself be discouraged by any setbacks, although this was not always easy — I might mention, in particular, the fisheries policy, where our efforts have hitherto unfortunately not met with any success. On the other hand — and I think it is a good thing to mention the positive aspects too — the Council succeeded in fixing the agricultural prices very early this year and this, as you know, is far from being one of the easiest jobs we have to do. In spite of difficulties, the importance of continuity and the functioning of the Community is still appreciated as fully as ever. Perhaps in retrospect

we may discover whether or not, in this period of reflection, the stage was set for a new and dynamic era in the life of the Community. The restructuring process on which decisions must be reached at the third meeting of the European Council in 1981 at the latest offers good opportunities in this respect.

During its period of office, the Dutch Presidency acted on the basis of the firm conviction that European unity is the path we must take if we are to solve a great number of the problems facing us. We set out on this path some 30 years ago, and looking back we can see that considerable results have been achieved. Amid all the gloom and dejection which now and then threatens to engulf us, we must also be sure not to lose sight of these positive achievements.

However, a great deal still remains to be done. It is true that the difficulties which integration entails are greater than ever, but the need to act as a Community is also greater than ever. Nevertheless, it would appear that the awareness of the need for European unity is on the wane and that anti-European feelings are making themselves felt in certain Member States. It is by definition a major task for the European Parliament, directly elected as it is, to step in where the European ideal is in danger of falling by the wayside. A few months ago at a private meeting here in Strasbourg I said that I regard Parliament as our hope and our conscience, and I should like to repeat that in public here today — although this is not to say that I rate the responsibility of the other institutions, including the Council, any lower. I am, rather, drawing attention to the important job this Parliament has to do, according to my firm conviction, in the difficult circumstances currently facing us all. If we are all prepared to let ourselves be guided by the deep conviction that the problems facing us are such that we have no choice but to proceed further on a joint basis, we can look forward to the future with confidence, and the Community can emerge stronger than ever before from the trials it is now going through.

**President.** — Given that it is impossible to postpone until tomorrow the continuation of this debate, we must choose between two options — either to begin question time at the normal time and resume this debate afterwards, or to complete this debate first and begin question time at 6 p.m., on the understanding that it will continue until 7.30 p.m.

*(Parliament decided to postpone the beginning of Question Time by half an hour).*

I call the Socialist Group.

**Mr Glinne.** — *(NL)* Madam President, Mr President-in-Office of the Council, ladies and gentlemen, for the Members of the Socialist Group in this House, the activities of the Council under the Dutch Presi-

**Glinne**

dency have been a source of great disappointment. At a time when the European Community is faced with enormous problems, at a time when the number of people out of work has risen by three million since 1978 — we now have nine million jobless and, if no improvement comes about, we shall have twelve million by 1985 — the Council has failed totally to take any genuine decisions. Whether it be the permanent seat of the European Parliament or the problem of the European public service — where we have the threat of a fresh conflict with the staff, a conflict of which this House has no desire whatsoever to be an innocent victim — whether it be the steel industry, economic and industrial policy, fisheries or our relations with the United States and especially the repercussions on Europe of the policy of high interest rates being pursued by the US Administration, the Council has clearly failed right along the line to reach proper decisions. The Council has simply been content to do what earned J. K. Galbraith's criticism in his study of the 1929 crisis: 'Whenever things go badly, those in power confine themselves to holding meetings'.

Small wonder then that Europe is losing out in terms of prestige and credibility, a fact which was brought out clearly by Japan's policy of preferring to negotiate with individual Member States rather than with the Community as such. There can be no doubt whatsoever that the only way we shall get out of the blind-alley we have manoeuvred ourselves into is by pursuing Community measures, as our erstwhile colleague and now Minister for Economic Affairs in the French Government, Mr Jacques Delors, rightly emphasized at the meeting of the Jumbo Council, a Council which was announced with great ceremony by the Dutch Presidency, but which that very same Presidency failed to prepare properly.

Elections in a number of our Member States are, to our mind, not a valid excuse for the Council's lack of activity. Those elections have of course not prevented the Commission, and in particular Sir Ivor Richard, from taking their role seriously. The fact that the Jumbo Council was nonetheless a very considerable success is certainly due not so much to the efforts of the Dutch Presidency as to the positive contribution of the French delegation, supported by the Belgian Ministers for Economic Affairs and Employment. Despite the all too apparent differences of opinion, the Jumbo Council did reach certain specific conclusions, and invited the Commission to formulate proposals regarding an extension to Community borrowing, increasing the capital of the European Investment Bank and reforming the European Social Fund, the idea being to use the Social Fund more for combating unemployment among young people. We were also pleased at the fact that the index-linking system in use in some of the Member States will be tampered with no further. Despite all this, the Jumbo Council can be regarded as no more than a first tentative step in the right direction. In the steel sector, we note with satisfaction that the French delegation, supported by

Belgium, emphasized the social aspects of this problem. It is to be hoped that the other delegations will take a leaf out of their book.

My Group will continue to monitor what goes on in the steel sector very closely, and we shall continue to press for the application of the proposals set out in the Peters Report on the social aspects of the steel crisis. Our attention therefore now turns to 30 June next.

I should like to conclude, Mr Van der Mei, by urging that the Council and the European Parliament cooperate rather better in future, particularly as regards the budget procedure. The Council has still not reacted to the resolution adopted by this House — tabled by Mr Adonnino and Mr Dankert on behalf of the Committee on Budgets — on improving the consultation procedure. By the start of the new budget procedure at the latest, we must reach an agreement on ways of preventing any further conflicts. Here too, there is no sign of action on the part of the Council. Indeed, the fact that an extra meeting of the Council of Transport Ministers was not held after all was symptomatic of this failed Presidency.

In the wake of our sobering experience with the Dutch Presidency, we must now look to the future. On 30 May 1980 in Brussels and on 13 June of the same year in Venice, the European Council made a solemn and binding pledge to restructure the budget. It is with a great deal of interest and a certain amount of anxiety that we await the Commission's proposals on this matter, and we hope that the European Council will manage to take clear decisions at its meeting on 29 and 30 June of this year. At any rate, I can assure you that the Socialist Group will take every opportunity to remind the European Council with the greatest possible emphasis of the pledge it entered into.

Madam President, Mr President-in-Office of the Council, ladies and gentlemen, the European Community cannot afford a second failed Presidency. The people of Europe have a right to expect governments to do more than just fail to take decisions. What is at stake is the very future of the Community.

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

**Mr Penders.** — (NL) Madam President, before addressing the President-in-Office of the Council, I should like to express my appreciation of the fact that Mr Glinne said what he had to say in Dutch. I greatly appreciate his gesture. I have only a very limited speaking time at my disposal. That may appear to be a handicap, but I for one have no doubt that a few minutes will more than suffice to pass judgment on the Dutch Presidency. Can this possibly be because the Dutch presided so brilliantly over the Council that all there is left for us to say is: Thanks a million, stout

## Penders

work, a pity that all good things must come to an end? Alas, that is not the case. A few minutes will be quite enough for me to pass what is bound to be an unfortunately somewhat negative judgment on behalf of my Group on the work of the Dutch Presidency.

Not much has come of the said Presidency, but the blame for that does not rest entirely with the Netherlands alone. That is something I should very much like to stress; nor do I have any doubts about the personal commitment shown by Mr Van der Klaauw, Mr Van der Mei and all the other ministers. It is true that external influences did not exactly work in the Dutch Presidency's favour, but both I and my Group feel that the Dutch Presidency was only too pleased that it was able to trot out so many and such convincing excuses for its passivity and its negligence. Re-reading Mr Van der Klaauw's words spoken on 14 January this year, and taking an objective look at what became of the four main points he brought out in that speech, which were themselves modest enough, we are bound to conclude that the net result is meagre indeed.

To avoid sounding too negative, Mr President, I should like to begin with a few points in the Dutch Presidency's favour. The meeting of the Jumbo Council was, in my opinion, a positive event in that it set a precedent. Never before have economics and social ministers met at European level to discuss matters relating to the economic crisis and unemployment. I think we should have more of these meetings. I must say, though, that there was very little evidence of thorough preparation. Clearly, the Dutch Presidency did not manage to persuade the Commission to come up with a suitable document. If this kind of thing is allowed to go on, we shall run the risk of arousing expectations in connection with meetings of Jumbo Councils which cannot be met, and the resultant sense of disillusion is bound to exacerbate the overall situation.

A second positive aspect, in my opinion, is the fact that the foreign ministers meeting in European political cooperation agreed at their meeting in Venlo on 10 May to discuss the political aspects of Europe's security problems in the future. That is, to my mind, a very positive step. The fact that NATO Secretary-General Luns came up very promptly with a highly critical comment surely testifies to the fact that something very definite and seriously-intended emerged out of the Venlo meeting. I am pleased with the Venlo results.

The final positive point I should like to mention is the quick decision on agricultural prices, a matter of enormous importance — not to say cost. I have now mentioned three positive points regarding the Dutch Presidency, but all in all, Mr President, my immediate impression is that we have certainly witnessed no obvious mistakes or serious blunders, but what we have had instead is a grateful acceptance of excuses for having done little or nothing of note. Let me give you

a few examples of what I mean. How much of a coincidence was it that the Commission has not as yet completed its major project on restructuring, so that it could be used as an apology for the inadequate preparation of Jumbo Council? How very convenient it is to take the line adopted by Mr Van der Klaauw in Venlo and say that discussions will be held after the summer break with leading personalities in the European Parliament — who, I may ask — the Bureau or the chairmen of the political groups? — about ways of improving contacts when you know that by that time you will no longer hold the Presidency of the Council. Has anything been done with regard to the Middle East over and above duplicating the work already done by Mr Thorn? Ah, of course — I was forgetting: we had a new American administration and Israel will be going to the polls on 30 June, so what could we expect?

Fourthly, Parliament called on the governments to reach a decision on Parliament's permanent seat by 15 June 1981 — in other words, by the day before yesterday. What on earth is the good of the European Council deciding hastily in Maastricht to take no decision at all and to maintain the status quo? Does it not in fact say it all, Mr Van der Mei, that we should now be debating the results of a Presidency at a time when the European Council in Luxembourg is still to come? Let me say once again that the striking feature of the Dutch Presidency is not so much the mistakes made as a sort of general greyness, and that at a time — and I think this an important point — when the Netherlands could have played a significant part as the largest of the smaller Member States of the Community. At a time when the European edifice is under siege, a smaller Member State wearing the mantle of the Presidency of the Council should have taken it upon itself to stress the Community's basic values. Such has not been the case, and at a time of mounting economic crisis and an increasing trend towards protectionism, it is something the Netherlands should have done. I think it a great pity that the chance was missed.

IN THE CHAIR: MR DANKERT

*Vice-President*

**President.** — I call the European Democratic Group.

**Sir Frederick Warner.** — Mr President, I am sorry that President van der Klaauw is not with us here today because, in spite of what has been said by previous speakers, there are one or two points in which my group would have liked to thank him for his efforts. For instance, the skill and energy which he has shown in pursuing the European Council's Middle

**Warner**

East initiative has been noted by everyone and I believe that it has contributed substantially to the efforts which are being made to bring about a more stable state of affairs in the Middle East. No doubt he will shortly be making a report to the Council on his activities; we in this Parliament would like to see that report so that we may know what has been done on our behalf and may commend it.

This is a fine example of political cooperation and I was interested to hear from Mr van der Mei that although there were no formal agreements, very considerable spadework has been done in preparing proper procedures and a proper structure for political cooperation. That is very valuable indeed and we are grateful for that also. We have noted the decision taken at Venlo to include security matters in political cooperation and, as Mr Penders said, that is a very valuable advance. It is something which the European Democratic Group have wanted to see for a long time.

But all of this cooperation and solidarity are really quite worthless if they are reserved for the simple problems, the ones which pose no difficulties. I am bound to say that the behaviour of governments over the question of trade negotiations with Japan seems to me to be an outstanding example of running away from solidarity and cooperation. After all, there is no more serious set of problems facing us today than those which concern our balance of trade with Japan, the effect of Japanese exports on our industries in Europe, the problems of getting into the Japanese market. This week we have amongst us in Europe the Japanese Prime Minister, the Japanese Foreign Secretary, the Japanese Minister of Trade and Industry and I, for my part, had hoped that we would meet them with one solid European view. Well yes, Mr President, there is a solid European view, and if anybody doubts it, he has only to go and speak to any worker in the streets of Milan, Birmingham, or The Hague, or anywhere else in Europe, and he will get the same answer as to what they think about the present problem of our relations with Japan. And that is why this Parliament was able to send a delegation to Tokyo representing ten different countries, eight different political parties and throughout a whole week they were able to speak consistently with one voice. The Commission, in spite of being a collegiate body, or perhaps because it is a collegiate body, has a pretty clear idea as to what we should be doing to deal with the Japanese. So why is it that the moment the Americans reach an agreement with the Japanese on motorcars the Council of Ministers falls apart and the government representatives scatter to make their own arrangements with the Japanese?

*(Applause from the European Democratic Group)*

I mean, it could hardly be argued that nobody knew what was going to happen for there was ample warning of the state of affairs that would come about. Perhaps because governments work so slowly the

Council of Ministers did not collect their thoughts. I hope that that is the answer because in that case we still have time to get together, to reformulate our positions, and to put forward a constructive point of view.

In dealing with the Japanese we must remember that we have a lot to learn from them; that we need to work with them; that we want political cooperation with them; that we want to bring them into a more active part in the world's affairs. But that we shall only do together as a European group, and if they are going to work with us politically as a group, then they must also learn that they have to deal with us in trade matters commercially as a group also.

Can I just say in conclusion that we are faced at the moment with a very difficult situation. Presidencies last for months: this Parliament lasts rather longer. We think we are going to last for five years. But it is the institution of the presidency and the institution of Parliament which are permanent and could, we hope, last for hundreds of years. Therefore we must not look at presidencies as short bursts, as stage acts, which succeed each other. It is the working out of European policies through the presidencies that matter. And that is why we hope that the next presidency will look to the work of its predecessors and will lay the foundations for its successors. We do not mind what particular successes it has from one month to another — we hope that they will deal with the situation which exists in Europe today and develop it over the months so that others can develop it over the years.

**President.** — I call the Communist and Allies Group.

**Mr Fantì.** — *(IT)* My initial impulse, Mr President-in-Office of the Council, was to keep my peace and not to speak. In any case, the fact of having kept this question until the end of the session, until a debating period at the end of this session, is in itself revealing. I should nonetheless like to use the three minutes I have to express a point of view and to deliver a message.

The point of view I wish to express is that I hope that we have now reached the end of a six-month period which will quickly be forgotten in the life and history of the Community. Naturally enough, the President-in-Office of the Council is not directly responsible for this state of affairs, and certainly not personally responsible for it, but it is much rather a responsibility which the whole of the Council should bear, which involves its very function and presence on the Community scene.

The Council — and here I address my remarks to the Member who preceded me — is a permanent managing body, which is vital for Community life and this Institution in the last six months has, in my opinion, plumbed the depths of Community history.

**Fanti**

In the last six months, has Europe's role on the international scene grown or diminished? We cannot answer this question in the affirmative. There has been a lack of new initiatives. No answer has been found to the increasingly more urgent problems which have arisen on the international scene, from problems of political cooperation to economic questions, to all the problems which other speakers have already mentioned. As the President-in-Office of the Council stated in his introductory report, we are now faced with the same problems we had in January only now they are before us six months later in a more exacerbated form, and we do not have at our disposal any positive, constructive elements with which to contrast them. In the last six months, there has not even been any progress made in the day-to-day business of the Council. We only have to think about the problem of the Statute for Members of the European Parliament, the problem of the working places of the Institutions and of Parliament, or of the staff problem which Mr Glinne referred to in his speech in order to remind us that we are once again faced with a situation which is likely to jeopardize the work of Parliament itself.

The message I wish to deliver, the message which I would ask the President-in-Office to convey to the members of the Council and to the new Presidency, is as follows. During its next July session, the European Parliament will be obliged to tackle fundamental problems for the life of the Community. There will be firstly, the debate on the Institutions, secondly the 1982 budget and thirdly the mandate of 30 May. I think it is necessary to stress that we expect the Council to depart from the normal routine, to reverse the tendency which has grown up over the last six months, which have not been marked by a spirit of revival or of breaking new ground in Community policies, on the contrary they have signalled a drop in quality of the Community spirit which can be felt if you live the life of the Institutions.

I should therefore like to make clear to the members of the Council and the new Presidency that we expect a quite different sort of commitment from the Council, totally different measures and proposals so that it will be possible for us together to launch a phase of revival, to stimulate the economy and development which the Community sorely needs at this time.

**President.** — I call the Liberal and Democratic Group.

**Mr Haagerup.** — (DA) Mr President, even if there has been a certain amount of progress within European Political Cooperation, there has been very little overall during the Dutch Presidency. Let us not pretend, however, that this is the fault of one single country or one single institution. The fact of the matter is that the governments certainly did not create the problems but they are doing far too little to solve

them within the Community although this is the very purpose for which it was set up. The Dutch President said — and I am sure he was justified in doing so — that the scope for development over the last six months was very restricted and I should like to say that I hope the British Presidency will find the scope for development less restricted.

For the rest, if we are to keep our speaking time down to one minute, I should like to propose that our clock is fitted with a second hand.

**President.** — I call the Committee on Budgets.

**Mr Adonnino.** — (IT) Mr President, Mr President-in-Office of the Council, ladies and gentlemen, I shall speak on behalf of the Committee on Budgets on a very specific subject, one which has in fact already been mentioned by Mr Glinne. I should have liked to have been able to begin my speech with some kind remarks, unfortunately I am forced to say that it is the sting in the tail.

Mr President-in-Office, you told us that the Council had tried to establish a climate of respect and trust with Parliament. But Parliament approved a resolution in which it asked the Council to meet with it, in order to be able to discuss — outside the normal budgetary procedure — some fundamental points of that procedure with a view to establishing those improved relations which would streamline the budgetary procedure itself, lead to more substantial results and so a reduction in conflicts on such an important matter as the budget. We have had no tangible reaction.

This greatly disappointed us, because Parliament is willing to establish improved relations based on respect and trust with the Council, but its efforts have hardly been welcomed. This is all the more serious when one thinks that the Council is the other component of the same budgetary authority.

Naturally, this criticism is not addressed to you personally. You did us the courtesy of coming to the Committee on Budgets, and you expressed your own favourable opinion, whilst nonetheless stating that you would have to refer back to the Council on the matter.

In light of the above, Mr President, we cannot therefore consider the six months which have just passed as constructive. I should like to hope that we still have time, that we can still establish this dialogue before the next budget — any procedure starts, so that it will bear fruit.

It only, therefore, remains for me, Mr President, to enquire what reasons you can give to explain this rejection by the Council.

**President.** — I call the Council.

**Mr Van der Mei, *President-in-Office of the Council.***

— (NL) Mr President, I shall endeavour to adhere to what you have just said, although I must say that it is bound to be rather difficult. I realize that this House has only a limited amount of time at its disposal, but I do feel that I must counter the criticism which has been forthcoming from certain quarters. I shall try to steer a steady course between the two extremes and I shall try to comply with your request.

Mr Glinne began by expressing his disappointment at the Council's activities. The Community, he said, was faced with enormous problems and the Council was standing back and doing nothing. He referred to the problem of unemployment, the fisheries problem, high interest rates and our relations with Japan. Before saying anything on these points, I should like to begin with the Jumbo Council. In my view, Mr Glinne painted a slightly misleading picture of the real situation. He said that the Dutch Presidency had done practically nothing to prepare properly for the Jumbo Council. I should like first of all to point out that the Jumbo Council was in fact a Dutch idea. Secondly, I should like to remind the honourable Member of the somewhat unenthusiastic attitude adopted by the other Member States when we Dutch set about putting our idea into practice. Thirdly, I should like to point out to him that most of the groundwork for the outcome of the Jumbo Council was done by the Dutch Presidency. That is in fact the normal course of events, but I thought it worthwhile to make the point once again in view of the criticism voiced by Mr Glinne.

Mr Glinne also said that the Commission had come up with a sound document by way of preparation for the Jumbo Council, whereas Mr Penders claimed that the Dutch Presidency had not done enough to cajole the Commission into producing such a document. These views seem to me to be somewhat at variance with each other, but I shall leave the argument to be settled by the two Members of Parliament.

Mr Glinne referred to the problems facing the steel industry and the importance of concentrating on the social aspects of those problems. I can only agree with him. As I said in my speech, I believe that, throughout the Member States, there is increasing acceptance of the idea that the social aspects of restructuring in the steel industry deserve to be taken especially seriously. As I have said on a number of occasions, if you compare the discussions held in the Council and the decisions taken on the steel industry with what was thought possible only a year ago, you certainly have no cause to claim that nothing has been happening in this field. By the same token, you cannot reasonably maintain that the efforts of the Dutch Presidency in this respect have been disappointing.

I am all in favour of better cooperation between the Council and Parliament; indeed, I said as much in my speech, partly in response to the comments made by Mr Adonnino. We must get together and thrash out

the problems existing between the Council and Parliament in the matter of budgetary procedure. I myself attended a meeting of the Committee on Budgets, following on from the Adonnino resolution. I tried to take the opportunity to make my contribution to the ongoing discussions. I said that I would report back to the Council. I did just that, and it is my view that the work done by the Dutch Presidency together with the European Parliament's Committee on Budgets is held in high esteem by the other Member States. We shall continue with this work, and the Dutch Presidency will do all it can to bring to fruition what I spoke about in the Committee on Budgets.

Mr Glinne said that, on restructuring, we should have to await proposals from the Commission.

Allow me to say on this point that, as early as last year, before we officially assumed the Presidency of the Council, the Dutch urged the outgoing Commission to do all in its power to give the new Commission the best possible opportunity to come up with proposals in time to comply with the European mandate of 30 May last year. Moreover, I said in the speech I gave yesterday that we have always tried, in cooperation with the Commission, to ensure that the proposals were in fact ready on time. The Presidency has held various bilateral discussions with other Member States on the restructuring of European policy. You will therefore appreciate, Mr President, that I cannot possibly subscribe to the view expressed by the honourable Member at the end of his speech of the Dutch Presidency as a failed Presidency.

Mr Penders claimed that nothing very much resulted from our tenure of the Presidency. However, you must always bear in mind that outside influences were working against us. I made that point in my statement, but I must say in all honesty that I cannot understand Mr Penders' contention that the Dutch Presidency was pleased to take advantage of the many excuses it was able to advance for its passivity. By making such a claim, you are in effect casting doubt on the Presidency's European ideals. As such, I indignantly reject any such aspersions cast by the honourable Member. Who would seek to deny that the circumstances in which the Dutch Presidency was called upon to operate were unusually difficult? But, bearing in mind all the difficulties, we have done everything that could have been expected of us. You have only to think of the discussions on the steel industry, the discussions on the unemployment problem, the Jumbo Council, the work done by the other Councils and the achievement of the Agriculture Council. There are therefore no grounds whatsoever for claiming that the Dutch Presidency was only too glad to be able to trot out excuses for a certain degree of passivity. There has been no question of passivity in our attitude, and neither does such criticism apply, as far as I know, to any past Presidency.

The honourable Member also referred to the Jumbo Council, fortunately classifying it as a positive point.



### Van der Mei

However, he did say that the Commission had not come up with a suitable document and that the Presidency had not done enough to cajole the Commission into producing such a document. The honourable Member comes from a country in which people are fully aware of the proper relations between institutions. In that respect, I should like to remind him of the speech made here in January this year by the President of the Commission, Mr Thorn, who said quite clearly that the new Commission would make its activities more independent of the Council than those of its predecessor. In view of this more independent relationship, it would surely be inappropriate for the Presidency to exert pressure on the Commission to make it come up with documents. Of course, certain steps were taken. Discussions were held with both the old and the new Commission on the prompt production of the necessary documents. The Presidency has done all that could have been expected of it in the light of proper relations between the institutions. I was very pleased to hear Sir Frederick Warner thank Mr Van der Klaauw for all he had done in trying to bring about a more stable situation in the Middle East.

You may rest assured that I shall be conveying these words of thanks to Mr van der Klaauw on behalf of the honourable Member.

The honourable Member also dwelt on certain other problems, such as the strained trading relations between the Community and Japan. What has the Council done in this respect? At about this time last year, the Commission came up with a certain document on a fresh approach to relations between the Community and Japan, and the Council discussed the document last year.

Discussions continued in November last year, culminating in a certain statement on the part of the Council. No doubt the honourable Member will be with me so far. One of the features of this statement was that discussions should be held with the Japanese authorities and another was that the Commission would monitor closely trade developments in certain sectors which were of particular importance to the Community. Both these have in fact come about, although we have not yet concluded our activities on this point. I have no doubt that the Council will be discussing this matter again next week and that the Ottawa Summit in July on developments in world trade will likewise be devoting a great deal of its time to this question.

While I am on the point of the Ottawa Summit I am reminded of a comment made by Mr Glinne, who referred to the high interest rates in the United States. He said that the Community was doing nothing about this situation. Let us take a look at the facts though. Firstly, the Council of Economic and Finance Ministers have discussed this subject on a number of occasions. Secondly, the Monetary Committee is currently studying what can be done in this respect. Thirdly, the

Monetary Committee will, in the near future, be producing a report and fourthly, I cannot but feel that this problem will likewise be discussed at the Ottawa Summit, a discussion which — I should like to add — is being thoroughly prepared by the Dutch Presidency as the situation requires.

Mr President, Mr Fanti expressed the hope that we should manage to forget the last six months as quickly as possible. I by no means share his hope. I believe that over the last six months, certain things have happened which we may reasonably remember with some pleasure, and which we may reasonably recall as having contributed to the Community developing in the right way. But, as Mr Fanti said — and the same sentiment was evident in Sir Frederick Warner's speech — the important thing is not a single Council nor a single Presidency. There is a great deal of continuity in Council affairs. There is a permanent process of opinion-forming in the Council, in the Member States and in the Member States' Governments. These are all elements which have an important role to play, and we would do well to bear them in mind in continuing the work of the Community. Mr Fanti said that no constructive work at all was done. That is quite simply not true. I apologize for reminding you once again of what has been going on in the steel sector. I would remind you of the discussions in the Agriculture Council. I would remind you of the discussions in the Jumbo Council, to mention just a few examples.

Mr President, I should now like to move on to deal with what Mr Haagerup had to say to the effect that the fact that little progress was made was not entirely due to the Presidency. He said — and here he followed on from a number of comments made by other honourable Members — that the other Member States too bore a great deal of the responsibility. I can only endorse his views. Anyone who is *au fait* with the situation in the Member States will know how difficult this is, but there is notwithstanding a conviction shared by the Governments of the Member States that the process of European integration is a *sine qua non* for the continued existence of all these Member States in a reasonable state.

Mr Adonnino referred to my appearance before the Committee on Budgets. I had a number of things to say on that occasion, and I should like to reiterate that, in the time remaining between now and 13 June, the Dutch Presidency will do everything in its power to press ahead with what we discussed together in the Committee. The honourable Member will be aware that Council decisions come about by mutual agreement and that it is often difficult to achieve that measure of agreement.

Mr President, that does not mean to say that we shall not do everything in our power to try to make some progress in this matter.

**President.** — Thank you very much, Mr Van der Mei. I accept that your speech was as long as neces-

**President**

sary. That means that Question Time will now only last an hour and not an hour and a half.

*7. Question Time*

**President.** — The next item is the second part of Question Time (Doc. 1/278/81).

I call Mr Chambeiron.

**Mr Chambeiron.** — (FR) Mr President, my reason for asking to speak is that I would like to help the Presidency, as I know how difficult chairing these sittings can be. I should simply like to warn you straight away that during this sitting which is scheduled to finish at 7.30 p.m. some of my colleagues and myself intend to request a debate on Turkey after the President of the Council has answered the question on this subject tabled by one of our colleagues and any supplementary questions there may be. We intend to make this request under the new Rule 45 of our Rules of Procedure and I felt I should inform you straight away for your convenience.

**President.** — I am very grateful to you, Mr Chambeiron, but we shall have to see how things turn out before deciding. As you know, it is hardly possible to continue beyond 7.15 p.m. if we are to meet the requests of the staff for reasonable working hours.

I call Mr Fergusson.

**Mr Fergusson.** — Mr President, when we took the vote earlier this evening on whether we should continue with the president's debate or go straight into Question Time, we were given an absolute assurance that we would have a full hour and a half of Question Time. This was an absolute assurance, and it was never suggested for a moment that Parliament could not go on sitting until the normal Question Time was finished. I must say I must raise the strongest possible objection if it is going to be reduced to an hour after all.

**President.** — Mr Fergusson, I note your objection. However, as I have already said in reply to Mr Chambeiron, I cannot guarantee that we can continue with our proceedings beyond 7.20 p.m. It is as simple as that.

I call Mr Balfe.

**Mr Balfe.** — Are you then saying that we cannot trust the word of the presidency?

**President.** — After Members of this Parliament had spoken about the period of the Dutch presidency, the Dutch President-in-Office was, in my opinion, perfectly entitled to give a full reply to the remarks made.

(Applause)

That is no more than good sound parliamentary practice. I think also that it should be appreciated that we often do not have enough dialogue with the Council. Question Time may have to be cut a little bit, but I feel that the extra 20 minutes we gave to the President-in-Office will more than make up for the 20 minutes we may have to lose on the questions to the Council.

(Laughter)

We shall now proceed to take the questions addressed to the Council.

Question No 56, by Mr Hutton (H-779/80):

Will the Council now agree that discussion on those items of its agenda which concern Community legislative proposals made by the Commission, and on which Parliament has given its opinion, should be open to the public, including the press, in view of the fact that in most national parliaments definitive decisions on Government legislative proposals are taken in public, on the floor of the House, except in rare cases of disagreement between the two chambers?

**Mr Van der Mei, President-in-Office of the Council.**

— (NL) As the Council has pointed out on various occasions in this Parliament, Article 3 (1) of the Council's Rules of Procedure states that the meetings of the Council are not public unless the Council unanimously decides otherwise. The Council would also draw the attention of the honourable Member to the fact that, in view of the current institutional structure of the Community, it is in practice very difficult to draw a distinction between legislative meetings and other Council meetings, particularly as the agenda for a particular meeting normally includes several different items. The Council has in fact never made a distinction of this kind.

**Mr Hutton.** — There is nothing in any Treaty to prevent the public and the Press attending Council meetings. Indeed I could turn it round the other way and say that it is provided for in Article 3 of the Council's rules. Would the President-in-Office not consider therefore this possible division of the Council's work that he has spoken about, so that Council sessions could from time to time, when members of the Council deemed it proper, be open to members of the public?

Does he not realize that relations between the Council and Parliament would be greatly improved if the

**Hutton**

Council would open itself to press and public? Is this not a matter of any importance to him?

**Mr Van der Mei.** — (NL) In his question, the honourable Member refers to the fact that definitive decisions are taken in public in most national parliaments. National parliaments and national governments work on the basis of a national constitution in which the relationship between the government and the parliament is laid down. The government takes a decision in private, not in public, and then enters into a public discussion with the parliament and this is how a piece of legislation comes into being. However, the Treaty makes no provision for this procedure. The Treaty provides for negotiation between Member States on a specific item of legislation and I am convinced that these negotiations would become exceptionally difficult, if not impossible, if they were to be conducted in public.

**Mr Prout.** — What exactly has the Council got to hide? Does the President-in-Office not agree that if the public and press were present at legislative discussions of the Council, it would help dispel the widespread public image of the Council as a body where unsatisfactory compromises are hatched up after lengthy and indeed sometimes acrimonious debate?

**Mr Van der Mei.** — (NL) The Council has nothing to hide, it is just that negotiations are never conducted in public.

**Mr Enright.** — Would the President-in-Office not agree that the failure of the member governments to meet the 15 June deadline set by this Parliament for naming a single seat for the Parliament could only have happened in the furtive secrecy of Council meetings held in private, and that had it been in the open, the Council would have been compelled to choose Brussels or show itself discredited and wasteful to the entire European Community?

**Mr Balfe.** — The answer is 'Yes'.

(Laughter)

**Mr Van der Mei.** — (NL) In the first place, from the strictly legal point of view, it is the governments of the Member States which discussed the seat for Parliament. In the second place, I am by no means convinced that the outcome would have been any different if the debate on this matter had been public. Thirdly, I should like to stress once more that negotiations between Member States, i.e. negotiations between governments, are always conducted behind closed doors and always lead to the best results under these conditions.

**Mr Welsh.** — With great respect to the President-in-Office, I don't think that there is anything in the Treaties that describes the Council as a negotiating body for the Member States. I think the Council is a collegiate body that is supposed to legislate proposals for the Commission which are no doubt discussed in private by Coreper. In that case, as the last act of a less than distinguished Dutch presidency, would the President-in-Office propose that the Council meeting on 22 and 23 June, when very important matters of great public interest are to be discussed, be held in public?

**Mr Van der Mei.** — (NL) My answer to the last question is 'no'. As regards the first question, there are no references to negotiations in the Treaties. The talks in the Council concern specific standpoints. Each individual Member State makes its own contribution and the purpose of the Council is attempt to reach an agreement. I simply used the word 'negotiations' to refer to this process.

**Mr Prag.** — May I take the matter from the opposite angle? Would the President-in-Office agree that if the Council of Ministers did meet in public, the Ministers would start making long speeches for home consumption, that is, to impress public opinion at home, and instead of taking far too few decisions, far too slowly, would take no decisions at all?

**Mr Van der Mei.** — (NL) The questioner has, I think, hit the nail on the head. This is in fact what I think would happen.

**Mr Croux.** — (NL) Does not the President regard the fact that the Treaty provides for a voting procedure as grounds for claiming that a legislative procedure must in fact be conducted — and possibly in public, since a legislative procedure is much more far-reaching than negotiations according to the Treaty?

**Mr Van der Mei.** — (NL) I do not think this makes any difference in principle. When governments meet to discuss certain subject with a view to reaching agreement and when this agreement must be unanimous, the discussions take place behind closed doors. If governments hold talks on the basis of a Treaty and have to reach agreement on the basis of that Treaty, this agreement must also, as I see it, be reached behind closed doors if it is to be reached at all, since these discussions are in the nature of negotiations and negotiations become difficult, if not impossible, as soon as they are conducted in public.

**Mrs Ewing.** — As the President-in-Office indicated in his own answer, there is a procedure for opening the matter to the public, namely, by a vote of the

**Ewing**

Council. How often in its history has the Council ever voted to open the proceedings? If never, is this not really quite an indictment? There must have been something that the public could have got in to hear.

**Mr Van der Mei.** — (NL) If I have understood correctly, the honourable Member is confusing two different issues, i.e. on the one hand whether the Council ever votes and, if so, whether or not this could be a reason for the Council's reluctance to open its meetings to the public. This is not the case, Mr President. The Council does not wish to meet in public, since if it were to do so no agreements would be reached regardless of whether it had to vote.

**Mr Kirk.** — (DA) I agree with the President of the Council that it might well be difficult to hold public meetings of the Council of Ministers. However, I should like to ask him whether or not it might be possible for the assembled Council to give a press conference as a collegiate body following its meetings so as to give the European press a chance to report accurately on what happened at the Council meetings in the national newspapers and on the television and radio so that there will not be nine different views being broadcast in the Member States as has happened in the past?

**Mr Van der Mei.** — (NL) The honourable Member will not doubt be aware that the President of the Council gives a press conference after each meeting of the Council. The honourable Member will also be aware, if he reads various newspapers, that in addition to the President, various other participants in the Council meetings also give press conferences so that the information which the public receives is extremely broadly based.

**President.** — That, then, was the end of this public debate on private proceedings.

I call Question No 57, by Mr Seligman (H-44/81):

What is the value of cereals supplied from surplus stocks as food aid to the Third World in 1979 and 1980 and has the Council considered seeking financial assistance from the surplus oil funds of the Gulf States in order to increase food aid to drought-stricken areas of Africa?

**Mr Van der Mei, President-in-Office of the Council.** — (NL) The value of cereals supplied as food aid to the Third World was 220.7 million EUA in 1979 and 313.8 million EUA in 1980. The substantial increase in the 1980 figure as against the 1979 figure was partly due to the fact that the Community agreed to step up its efforts within the context of the new food aid agreement which came into force on 1 July 1980. Naturally, the Council would wish the oil exporting countries, particularly those Arab countries which

have not yet acceded to the food-aid agreement, to contribute as much as possible to increasing food aid, particularly in the drought-stricken areas of Africa and the decision of certain Arab countries to contribute to the financing of the world food-aid programme is a step in the right direction.

**Mr Seligman.** — While those figures seem extremely impressive — 313 million in 1980 — I gather that the shortfall in the world is still substantial. Can the Minister tell us what the shortfall in combined food aid between the EEC and the World Food Fund is? Will he instruct the Commission to carry out an in-depth study of the gap in food aid and see whether this can be co-financed to some extent with the Gulf States?

**Mr Van der Mei.** — (NL) I cannot give you any figures at the moment for the combined food aid of the European Community and a number of oil-exporting countries but I should be glad to look into the question and inform Parliament of my findings. You also ask whether the President of the Council prepared to instruct the Commission to carry out a study. I would have thought that due respect for the relationship between the institutions would require the European Council to observe a certain cautiousness in giving instructions to the Commission. I am choosing my words particularly cautiously here, but this does not mean that the Council would not be prepared to discuss this question with the Commission. I also get the impression that the European Parliament itself will take advantage of its direct relation with the Commission to point out how valuable this could be.

**Mr Turner.** — Will the expected cereal harvest of this year be larger than the amount of money provided by the EEC to cover cereal aid to the under-developed world, and if it is larger, how can we pay for giving this greater surplus and does he want suggestions from the European Parliament on that aspect?

**Mr Van der Mei.** — (NL) May I first of all point out that the figures for the 1979 and 1980 show that there has been a considerable increase in food aid from the Community in the form of cereals, I do not know if I can say at this stage whether or not the expected cereal harvest — at least this is how I understood the question — will be larger than the amount of money earmarked for this purpose. That is to say, I take the honourable Member to mean that that proportion of the cereal harvest which may be made available for food aid will be worth more in terms of money, than the amounts provided by the Community. This is a question, Mr President, which I cannot answer at this stage. I should be glad to look into whether it would be possible to give honourable Member further information on this point.

**Mr Marshall.** — Would the President accept that whilst the trend in food aid is to be welcomed, the general level is still woefully inadequate, and would he also accept that the people of the Community find food aid to deserving countries acceptable whilst food aid to Soviet Russia is politically and socially unacceptable?

**Mr Van der Mei.** — (NL) In this question, the honourable Member is, I think, comparing two things which cannot be compared, i.e. food aid to countries where there is a major hunger problem and which can be described as developing countries and, on the other hand, supplies to the Soviet Union. These are, I think, two separate issues which should not be compared or confused.

**Mr Provan.** — Would the President-in-Office accept that long-term food aid supply contracts would assist in major world problems far better than just the dumping of surpluses and that we should thus gain foreign policy initiatives rather than acrimony?

**Mr Van der Mei.** — (NL) I should first of all like to point out that food-aid programmes are programmes which have been carefully considered and decided by the competent Community authority.

**Mr Coutsocheras.** — (GR) Mr President, I should like to ask the Minister whether he is aware that, following a proposal of mine to this effect, the General Assembly of the Council of Europe expressed the wish that basic foodstuffs for children should be regarded as *hors commerce* and distributed free to children, since, as the Minister will know and as we all know, millions of children are dying of hunger and malnutrition.

*(The President urged the speaker to put a question)*

**Mr Coutsocheras.** — (GR) Is he aware of this and what does he intend to do about it?

**Mr Van der Mei.** — (NL) I was not aware of the point made by the honourable Member.

*(Laughter)*

**Sir Frederick Warner.** — Would the Council agree to study very carefully the opinion of this Parliament on the subject of food aid, which was adopted during the May part-session and which contains many excellent and practical proposals on the matter?

**Mr Van der Mei.** — (NL) As the honourable Member will no doubt be aware, the Council has

discussed in detail the resolution adopted by the European Parliament on the subject of food aid. The Council feels that this resolution represents a very positive contribution from the European Parliament towards responsible decision-making in the Community.

**President.** — I call Question No 58, by Mr Balfe (H-65/81):

Is the Council completely satisfied with the standard of accounting used by the European Parliament?

**Mr Van der Mei, President-in-Office of the Council.** — (NL) Article 206a of the EEC Treaty provides that 'the Court of Auditors shall examine the accounts of all revenue and expenditure of the Community'.

It is therefore for the Court of Auditors to make comments, if necessary, on the accounting standards within one or other of the institutions or bodies of the European Communities.

**Mr Balfe.** — At a time when the Council is concerned that the European Communities are running out of money, bearing in mind that in their report for 1979, the auditors referred to the rather primitive accounting systems of the Parliament and recommended that a decision be taken to establish a claim for the unspent surplus, also bearing in mind that over £ 90 000 of money paid out for direct elections has not yet been accounted for properly on the Commission budget, does the Council not consider that if it is really concerned about money in these Communities it should try and obtain adequate accounts for the vast amounts of public money that were pushed out of the Communities for a propaganda exercise?

**Mr Van der Mei.** — (NL) What a storm of indignation there would be in this Parliament if the Council were to concern itself with Parliament's accounting!

**President.** — Since Mr Ansquer is absent, Question No 59 will receive a written answer.

At the request of the President-in-Office of the Council, I call Questions No 60 by Mr Griffiths (H-116/81):

Can the Council cite any new initiatives to deal with growing problem of 'social aspects' arising from the continuing massive restructuring of European industries such as steel, shipbuilding, textiles, chemicals and motor vehicles?

and No 61 by Miss Quin (H-118/81):

Will the Council make a further statement about the progress made in consideration of the Commission's

**President**

proposals to provide incomes for workers aged 55 and over leaving the shipbuilding industry — a proposal which was welcomed by the European Parliament at its December 1980 part-session?

**Mr Van der Mei, President-in-Office of the Council.** — (NL) I shall begin with the question by Miss Quin. In view of the persistence of certain problems of principle raised by the proposal in question and in the absence of new data, the Council did not at present feel able to hold discussions on the proposal in the near future. As regards Mr Griffiths' question I would reply that Mr Griffiths is no doubt aware of the measures taken by the ECSC for the benefit of the workers affected by the restructuring measures in the iron and steel industry. The Council is continuing its discussions on the possibility of increasing ECSC financial aid in this connection. I should also like to remind you that, in general, aid is provided within the context of the Social Fund or the Regional Fund and, in special cases, this aid can benefit workers in particular industrial undertakings in, for example, the textile or motor industries.

**Miss Quin.** — On Wednesday 8 April, the President-in-Office of the Council told me that the Council of Ministers was to consider the shipbuilding proposal on 9 June. Is he now saying that that discussion did not take place, and if so, why not?

**Mr Van der Mei.** — (NL) As I have already said, there are still a few problems and the Council does not therefore think it will be possible to reach a decision on this point in the near future.

**Mr Griffiths.** — Can the President-in-Office of the Council tell me whether, since his answer did not list any new initiatives whatsoever to deal with the massive problem of unemployment and all the social difficulties that that entails, his inability to provide any new initiatives is due to the fact that at the last so-called Jumbo meeting of the Council, one government — the British Government — refused to fall into line with various ideas which were put forward at that Council meeting for trying to deal with the increasing problem of unemployment in the European Community?

**Mr Van der Mei.** — (NL) I do not think the observation just made by the honourable Member is relevant to this question.

(Protests)

**Mrs von Alemann.** — (DE) May I then ask the President-in-Office in connection with the two questions put by Mr Griffiths and Miss Quin what view he takes

with regard to the observation made by another Minister of Employment at the Jumbo meeting of the Council in Luxembourg to the effect that social policy must remain a national affair, not least because the various social systems are not comparable, since this strikes me as a totally different view.

**Mr Van der Mei.** — (NL) I do not think it was said at the Jumbo Council that the social policy must remain a national affair, nor do I think this could be claimed in the light of what has already been discussed as regards social policy in the Steel Council where it is generally recognized that restructuring in the steel sector must go hand in hand with social measures, which are Community matters.

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

**Mr Griffiths.** — Mr President, I am not quite sure of the best way to proceed here, because the President-in-Council just did not answer my question at all. He literally refused to answer it, and I wonder whether he will now consider answering my question. In his answer to the written question, he said that there was money available through the ECSC, which we all know. He said the Regional Fund and the Social Fund provide help, which we all know. He said there might be more money made available, but my question asked him whether the Council can cite any new initiatives to deal with these problems, and my supplementary asked him whether the failure to provide any new initiatives was due to the fact that one government, the British Government, would not agree with proposals put forward at the last Jumbo Council. And that is the question I want answered.

**President.** — Yes, Mr Griffiths, but the Council is free to answer your question in the way the Council feels. That is sometimes, we have to agree, no answer.

(Interruption from Mr Griffiths)

If the Council feels that part of the question has been forgotten in the answer, I will give the Council full opportunity to reply to that forgotten part of the question, but only at the Council's request. That is up to the Council, because we do not ask the Council to speak, the Council asks us for the floor; that is the procedure, which perhaps needs to be changed, but I have to stick to that procedure, however unparliamentary it may be.

**Mr Van Minnen.** — (NL) Mr President, I see at any rate that the President-in-Office of the Council is at present speaking in very different terms from those used by a member of the presidency, i.e. the Minister of Social Affairs, recently when speaking in this Parliament's Committee on Social Affairs and I think this is

**Van Minnen**

a serious matter. Be that as it may, this is Question Time, so I will put a question. The President-in-Office mentioned the new initiatives we can expect in the near future. I would point out that there is in fact no need for us to wait, as these new aspects are contained in the supplementary social funds mentioned in the budget. I should like, therefore, to ask the President-in-Office whether he can do what is necessary to ensure that these supplementary funds are used for the purpose of early retirement, as requested by Mr Griffiths, Miss Quin and in fact this entire Parliament.

**Mr Van der Mei.** — *(NL)* Mr President, I get the impression that the honourable Member is addressing me more as a member of the Netherlands Government than as President-in-Office of the Council. If certain funds are included in the budget and if the honourable Member asks whether I will do what is necessary to ensure that the provisions of the budget can be put into practice, I can only assure him that I will do all I can to see to it that a responsible decision is taken in this respect.

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

**Mr Fergusson.** — We are as usual going terribly slowly, Mr President. We have, if you are right, now less than half an hour to go. Do you think we might immediately move on, Mr President, to the Foreign Ministers and abandon this part of the programme?

**President.** — I agree with you, Mr Fergusson, but I have still a considerable number of supplementary questions to this question, and I think I should deal with them before proceeding to political cooperation.

**Mr Tuckman.** — While having great sympathy with the trend behind the questions from Mr Griffiths, I wonder whether the Council would agree that the real cure for both today's and tomorrow's unemployment lies in governments making sure that they adjust themselves quickly to new situations rather than bolstering up situations which have gone bad and which cannot be saved.

**Mr Van der Mei.** — *(NL)* The honourable Member has not so much asked a question as stated a view which, I think, in fact has something in it. If I understand him correctly, the honourable Member says that it is better to concentrate on promoting new industrial and general economic activities than on trying to prop up those which have had their day. This is, I think, generally speaking correct.

**Mr Paisley.** — Is the President-in-Office of the Council aware that in Northern Ireland there is no iron-and-steel industry but there has been great indus-

try in shipbuilding and the Belfast Shipyard has been reduced from over 20 000 to under 7 000 employees and that the textiles industry has been reduced from 58 000 to 25 000 employees? And does he not think that there should be a similar proposal in regard to redundancy pressed on with as quickly as possible in regard to these industries, especially in areas that have no iron-and-steel industry?

And, with respect, could he tell us how. . .

**President.** — Mr Paisley, one supplementary question is enough.

**Mr Paisley.** — . . . I appreciate the time factor. I bow to your ruling, but do not discriminate against Northern Ireland, please.

*(Loud laughter)*

**President.** — I would never dare, Mr Paisley. But you had put one supplementary question and then you started a second, so I thought it was a good time to cut in.

*(Laughter)*

**Mr Van der Mei.** — *(NL)* If I remember rightly, Mr Paisley has already put similar questions on previous occasions and my answer has always been that there are of course other industries which are faced with similar problems to those facing the industries we are currently discussing. This is the first point I should like to make. Secondly, the steel industry is an industry which is covered by the ECSC Treaty which contains various provisions intended to serve the interests of the steel industry. The ECSC Treaty does not however refer to the other industries mentioned by the honourable Member and for this reason they are not eligible for aid.

**Mr J. D. Taylor.** — Mr President, noting that you are the first man to have successfully silenced Mr Paisley, I will make my question brief. It is to ask whether the President-in-Office could define more clearly what are the problems delaying the Council's progress in the matter of redundancy payments for shipbuilding workers.

**Mr Van der Mei.** — *(NL)* It is in fact true to say that we should not work sector by sector, as it were, but should consider the situation as a whole with a view to developing a cohesive overall policy.

**Mr Enright.** — I would like to revert to Miss Quin's question which the President-in-Office did not

**Enright**

answer. On the question of support for workers aged 55 and over leaving the shipbuilding industry, did the Council in fact discuss that at its last meeting — and you may answer yes or no — and when will it be discussed again — and you may answer there are no plans to do so?

**Mr Van der Mei.** — (NL) As the honourable Members know, it had originally been planned to discuss this question at the Council meeting of 9 June. However, it emerged from the preliminary discussions on this point that the time was not yet ripe for decision-making. Consequently, it was then removed from the agenda.

**President.** — We proceed with the questions addressed to the Foreign Ministers.

I call Question No 89, by Miss Quin (H-119/81):

What discussions have the Foreign Ministers had as a result of the European Parliament's recent resolutions on the position of the Baha'i community in Iran and what has been the outcome of these discussions?

**Mr Van der Mei, President-in-Office of the Foreign Ministers.** — (NL) On 6 May this year, as President-in-Office of the Foreign Ministers of the Ten meeting in political cooperation, I answered an identical question tabled by Mr Purvis. I can only repeat what I said on that occasion, i. e. that the Ten feel deep concern regarding the persecution of the Baha'i community in Iran, and particularly the recent events. The situation has been discussed on various occasions at political cooperation meetings. In addition, in his statement on behalf of the Ten during the debate on the report by the Commission for Human Rights held on 30 April in the Economic and Social Council of the United Nations, the representative of the President-in-Office expressed the wish that the Iranian Government should review its policy with regard to these minority groups in the spirit of the international treaty on civil and political rights to which Iran is party. The honourable Member can rest assured that the situation of the Baha'i community in Iran will continue to receive the full attention of the Ten.

**Miss Quin.** — I am aware, of course, that this question was raised at the May part-session of the European Parliament, but since then we have a situation whereby the principal holy place of the Baha'i minority in Iran is being completely destroyed.

When does the Council propose to consider this serious new development?

**Mr Van der Mei.** — (NL) As I have just explained in answer to the original question, we not only regard

this as a particularly serious matter, but the Council will also continue to devote attention to it.

(Laughter)

**Mr Seligman.** — In addition to that, it is obvious that the whole campaign of persecution is being intensified: there is not only the destruction of the shrine, but 12 prominent Baha'i have been executed, the businesses of the Baha'i are being liquidated and they are being thrown out of work. Therefore, something more effective than what has been said so far by the Council is absolutely necessary.

**Mr Van der Mei.** — (NL) The honourable Member asks whether the Member States will continue to devote attention to this matter within the context of European political cooperation. I can assure you that we will undoubtedly do so as we have repeatedly considered this matter in the recent past.

**Mr Balfe.** — Whilst welcoming the concern of the Council of Foreign Ministers for this issue of human rights, may I ask the President-in-Office specifically when this matter was last discussed and whether it has been discussed since the violations which Miss Quin referred to?

**Mr Van der Mei.** — (NL) As I said, this matter receives the constant attention of the Member States meeting in the context of European political cooperation.

**Mr Moorhouse.** — Is the President-in-Office aware of reports in the past few hours that seven Baha'is were executed after being tortured in Hamadan this last Sunday, 14 June? Would he take steps to verify the accuracy of these reports, which I unfortunately have every reason to believe are correct, and would he undertake to condemn in the strongest possible terms the actions which are apparently being taken by the so-called Iranian authorities?

**Mr Van der Mei.** — (NL) We are in fact aware of these reports and are greatly disturbed by them. We have discussed the matter within the context of European political cooperation and I even think that this discussion is still going on.

**Mr Purvis.** — May I say to the President of the Ministers of Foreign Affairs meeting in political cooperation that we are very appreciative of their concern and of the fact that they discuss this matter frequently, but what we should like to hear, if we may, from the President-in-Office this very minute is an outright condemnation of what is happening in Iran. Would he



**Purvis**

undertake to send notes to the Iranian ambassadors, if any, in the Community and to the Iranian Government and bring the matter up at the United Nations forthwith? We cannot just go on discussing.

*(Applause from certain quarters of the European Democratic Group)*

**Mr Van der Mei.** — *(NL)* The honourable Member need have no doubt that the ten Member States meeting in political cooperation will do whatever is most effective in this respect.

**Mr Sieglerschmidt.** — *(DE)* Mr President-in-Office, I am particularly pleased that the Ministers have discussed this question so often within the context of political cooperation, but I should nevertheless like to know what has come of this unremitting activity, i.e. what measures have actually been decided or envisaged by the Ministers.

**Mr Van der Mei.** — *(NL)* I should like to remind the honourable Member of what I said in answer to the question by Miss Quin, in which I informed you of one of the reactions on the part of the Ten to the events in Iran involving the Baha'i. I said, and I quote, that in his statement on behalf of the Ten during the debate on the report by the Commission for Human Rights held on 30 April in the Social Committee of the Economic and Social Council of the United Nations, the representative of the President-in-Office expressed the wish that the Iranian Government should review its policy as regards this minority group in the spirit of the international treaty on civil and human rights to which Iran is also party.

**President.** — I call Question No 90, by Mr Kappos (H-143/81):

In Northern Ireland political prisoners' human rights are being violated in a cruel and merciless fashion. Torture is used during interrogations, prison conditions are particularly harsh and prisoners arrested as members of national liberation organizations are denied political status. etc.

As a result of this situation Bobby Sands, who is an elected representative to the British Parliament, died in prison.

What measures have the Foreign Ministers taken to ensure that this state of affairs is brought to an end?

**Mr Van der Mei, President-in-Office of the Foreign Ministers.** — *(NL)* The honourable Member is no doubt aware of the answers given on many occasions over the last six months by the President-in-Office of the Foreign Ministers meeting in political cooperation to questions regarding the individual policies pursued by one or more Member States. I must point out once

more to the honourable Member that the rules governing political cooperation do not permit me to answer questions of this kind.

**Mr Kappos.** — *(GR)* Mr President, does not the President-in-Office of the Council think it is rather illogical that the Council should constantly be concerning itself with what is happening to the Baha'i or Shcharansky or what have you, but not with what is happening in its own backyard, i.e. in Northern Ireland, where crimes are in fact being committed against political prisoners?

**Mr Van der Mei.** — *(NL)* The honourable Member's question is, I think, the same as the question which will be put by Mr Balfe in the further course of the debate, when I shall have to answer it.

**Mr Marshall.** — Would the President-in-Office agree that under this bipartisan policy in the United Kingdom supported by both Labour and Conservative governments in their time, criminals are housed in the Maze prison, which is one of the most modern prisons in the United Kingdom, and that these so-called political prisoners are in fact murderers who have been guilty of very severe crimes against humanity and deserve the censure of every Member of this House?

**Mr Van der Mei.** — *(NL)* As I said in my answer to Mr Kappos' question and as I have repeatedly pointed out to this Parliament, the individual policies of the Member States are never discussed within the context of European political cooperation.

**Mr J. D. Taylor.** — Is the Minister aware that the vast majority of Northern Ireland people are strongly opposed to the IRA terrorists and that they would never consider the IRA. . .

**President.** — Mr Taylor, I must interrupt you because Question Time is degenerating into a debate between Members of this House. I am confining questions to real questions of substance not containing judgments. I think that is what Question Time is all about. Under the rules questions which contain a judgment are forbidden.

**Mr J. D. Taylor.** — . . . I abide by your ruling, having made my point that they are not a liberation organization. Is the Minister aware that there is no violation of prisoners' human rights in Northern Ireland and that this has been confirmed by the European Commission of Human Rights after a thorough investigation?

**J. D. Taylor**

**Mr Van der Mei.** — (NL) I very much regret that I must repeat what I have just said. This matter has not been discussed within the context of European political cooperation nor will it be, since the rules governing political cooperation are such that discussion of the individual policies of Member States is not permitted.

**Mr Van Minnen.** — (NL) I must simply give it one more try, Mr President. How is the President-in-Office of the Council so sure and how can he claim that this will never be discussed when it is quite clear that this is a drama which has long ceased to be a purely British or even Irish affair and when it has long been a fact that European pressure is being brought to bear, as this is in fact a Community matter. How can the Minister say that this will never be discussed?

**Mr Van der Mei.** — (NL) If the honourable Member will take the trouble to read the answer I gave to the previous question, he will undoubtedly understand how things in fact stand.

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

**Mr Purvis.** — In view of the fact that this is not the only time that this has happened, that items do not properly fall under the political cooperation element of Question Time, why are these questions put in that section? Should they not be put somewhere else? Or else not allowed?

**President.** — Well, Mr Purvis, this is a complicated matter. There is a discussion going on between the Bureau of the Parliament and Council on this matter because of the simple fact that we do not know exactly what falls under European political cooperation and what does not, because we are not so informed. The Council's problem is that they deal only with what they deal with and it is then very difficult to define. So as soon as you admit the question, which has happened in this case, you have also to admit the supplementary question to that. It is a problem and I personally cannot solve it but we are discussing the matter with the Council to try to find a reasonable solution within a limited period of time — I hope! But it will be difficult.

**Mr Paisley.** — Would the President-in-Office of the Council agree that the greatest basic right is the right to live and that right has been denied to many hundreds of people in Northern Ireland by the IRA, who have carried out a campaign of murder against them?

**Mr Van der Mei.** — (NL) However clearly you make your points, at least however clearly you think you

make them, it seems that it is never clear enough. If I say time and time again that this matter has not been discussed within the context of European political cooperation, the honourable Member will surely understand that I cannot answer his question. May I, Mr President, take this opportunity to stress the point you made? There is currently a discussion under way between the Ten meeting in political cooperation and the Presidency of the European Parliament on the basis of a letter from the Presidency to the President of the European Parliament with a view to clarifying the question as to what sort of questions can be answered and what cannot. I can assure you that we shall be very interested to hear the answer from the Presidency of the European Parliament.

**President.** — I should also like to say to the President of the Council that the fact of course remains that, as we know from our experience at national level too, people sometimes put questions to which an answer is not even required.

**Mr Fotilas.** — (GR) Mr President, I should like to ask the Minister how he understands political cooperation if the Foreign Ministers of the Member States of the Community cannot make a simple suggestion to their British colleague to the effect that it is not by taking this hard line that they will solve the problem of Northern Ireland — which is primarily a political problem — but rather by demonstrating a spirit of understanding for a struggle which goes back centuries.

**Mr Van der Mei.** — (NL) Bringing pressure to bear on a government within the context of political cooperation would mean that the individual policies of Member States could be dealt with in that context. This is, however, impossible under the rules governing European political cooperation.

**Mr Balfé.** — Will the President-in-Office of the Council make a point of visiting London where he will find that many of my constituents are fed up with both sides of the Irish dispute and could not care less whether it is united with the Republic or independent on its own, but do wish that British soldiers from London would stop getting killed?

**Mr Blaney.** — May I ask the President-in-Office of the Council first of all whether he is aware that, as distinct from what has been said by my colleague, Mr Paisley, the killing has not been all on one side. Number two, Mr Taylor's submission here that there is no liberation fight going on in Ireland is not borne out by the facts, and number three, would the President of the Council realize from the fact that a Member of the British Parliament has already died . . .

**Mr Paisley.** — Point of order!

**President.** — You are right, Mr Paisley. That is the third supplementary question that Mr Blaney has asked.

**Mr Blaney.** — I am sorry, I have not asked any questions . . .

**President.** — Oh, yes you have. My English is sufficiently good to realize that you have already asked three supplementary questions. That is too much.

**Mr Van der Mei.** — (NL) You have given me the floor and I must repeat what I have said already. The honourable Member asks whether I am aware of certain things in my capacity as President-in-Office of the Foreign Ministers meeting in political cooperation. In that capacity, Mr President, I am not aware of those things since in that capacity I can only be aware of things which are discussed within the context of political cooperation, which is not the case as regards these matters.

**President.** — I call Question No 91, by Mr Galland (H-141/81):

Now that the flood of refugees from Vietnam is growing, do the Foreign Ministers intend to intercede with the Government of Thailand on behalf of the boat people, 19 Vietnamese refugees imprisoned for assaulting Thai pirates and facing a possible death penalty?

**Mr Van der Mei, President-in-Office of the Foreign Ministers.** — (NL) Since the case against the Vietnamese refugees is still *sub judice*, the Ten feel that it would not be appropriate to make representations to the Thai authorities.

**Mr Galland.** — (FR) Mr President, even if it is impossible to deal with internal Community problems

under political cooperation, in your view, do you not think that in a case such as this where, for the first time, Vietnamese refugees have driven off Thai pirates and then found themselves imprisoned, we should under no circumstances wait until the legal proceedings have gone too far before the Community takes any action? If you do not bring Community pressure to bear immediately, it will probably be too late. Are you aware of this, Mr President?

**Mr Van der Mei.** — (NL) In his question, the honourable Member says that it would appear to be impossible to discuss this matter within the context of political cooperation. I do not think this is a correct interpretation of what I have just said. My answer was in fact that the Ten take the view that it would not at this point be appropriate to make representations to the Thai authorities. And why not? Because the matter is *sub judice*.

**President.** — (NL) The second part of Question Time is closed.<sup>1</sup>

I should like to thank Mr Van der Mei, who was making his last appearance for some time as President-in-Office of the Council, for all the efforts he has made to make Question Time a somewhat more substantial affair — as regards the Council's contribution too — in spite of all the difficulties which arise on such occasions. There has in fact just been an exchange in which the point was made that improvements are called for and I should like to express my thanks for the attempts to bring about these improvements. I should also like to wish him luck in his political career back home.<sup>2</sup>

(The sitting was closed at 7.20 p.m.)

<sup>1</sup> See Annex.

<sup>2</sup> Agenda for next sitting: see Minutes.

## ANNEX

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

### I. Questions to the Commission

#### *Question No 1, by Mr Kirk (H-174/81)*

Subject: Commission proposal for catch quotas in the Community fisheries sector

At the Council meeting of 30 May 1980, the foreign ministers of the Community agreed on a number of criteria on which to base the Community's future fisheries policy.

In the Commission's proposal of 23 October 1980 concerning the distribution of catch quotas in the fisheries sector amongst the Member States, these criteria are specified as:

1. traditional fishing activities;
2. the needs of the most disadvantaged regions, as defined in the Hague Resolution of 3 November 1976;
3. 50% compensation for the loss of catch potential in the waters of third countries.

Is the Commission still using these three criteria as the basis for distributing catch quotas amongst the Member States, and does the Commission intend to comply with the resolution adopted by the European Parliament expressing the wish that any amendments to the proposal should be referred back to Parliament for further consideration before the proposal is submitted to the Council?

#### *Answer*

As the Commission has already replied in its reply to question H-19/81 of Mr Kirk, its proposal of 23 October 1980 concerned only quotas for 1980 and is no longer valid.

As far as quotas for 1981 are concerned, the Commission will follow the criteria defined by paragraph 2(b) of the Council declaration of 30 May 1980 on the common fisheries policy, which reads as follows: 'fair distribution of catches having regard, most particularly, to traditional fishing activities, to the special needs of regions where the local populations are particularly dependent upon fishing and the industries allied thereto, and to the loss of catch potential in third country waters'.

As far as the question is concerned whether the Commission will submit any such proposal to the Parliament before submitting it to the Council, the Commission refers to its reply given to Oral question H-20/81 of Mr Kirk.

\*

\* \*

#### *Question No 8, by Mr Buttafuoco (H-75/81)*

Subject: Crisis in the fishing industry in Sicily

The EEC recently undertook an examination of the reasons for the approval by the region of Sicily of regional law No 76 of 4. 8. 1980 extending payment of the subsidy on fuel used by Sicilian motor-trawlers to cover the period 1. 7. 1980 to 31. 12. 1980. This extension was needed because of the continuing increase in fuel consumption as Sicilian motor trawlers travel further to find fishing grounds. As the Italo-Tunisian fishing agreement was not renewed when it expired on 19. 6. 1979, the fishing grounds are now situated further and further from the home ports of these boats. Will the Commission make known the results of its examination and state its position on the serious crisis facing the fishing industry in Sicily?

#### *Answer*

The Commission notes that the Community fishing industry has been faced for a number of years with a basic change in its operating conditions, and particularly with a considerable increase in fuel

prices. Faced with this increase, some Member States decided to grant national aids, usually proportional to fuel consumption. The Commission regards such aids as incompatible with the common market. Indeed, these aids have a significant effect on competition conditions in the Community and do not make it possible to bring about a structural improvement in the situation of their recipients, especially to the extent that they become a permanent arrangement. Finally, these aids are contrary to the energy policy aims set by the Community and the Member States.

In the case of Sicily, as in the cases involving other Member States, the Commission is initiating the procedure laid down in Article 93 (2) of the Treaty with regard to the proposed fuel aids of which it has been notified. This examination is still going on at the moment.

On the other hand, the Commission is entirely in favour of national aids which open up the prospect of lasting improvement in operating conditions in the sector. Thus the Commission did not oppose the implementation in Sicily, from the beginning of 1980 onwards, of a package of structural aids designed to facilitate the renewal and modernization of the fishing fleet and of the plant for processing and marketing products of the fishing industry.

Finally, the Commission would remind you of its proposals to the Council for the development of a Community structural policy for fisheries, on which Parliament has expressed a favourable opinion. The Commission thinks that such a policy, involving a considerable financial contribution by the Community, will enable the sector to overcome its difficulties.

\*

\* \*

*Question No 11, by Mr Fanton (H-96/81)*

Subject: Re-opening of Italian customs posts responsible for the customs clearance of steel products.

What steps does the Commission propose to take to ensure that those Italian customs posts which, before their unilateral closure, were responsible for the clearance of steel products from the Community are swiftly re-opened and thus that the principle of the free movement of goods in the EEC is respected?

*Answer*

The Italian Finance Minister's decree of 14 November 1980, whereby the number of customs posts authorized to give import clearance to iron and steel products was reduced from the original 33 to 12, conflicts in the Commission's view with the principle of free movement of goods within the Community.

The Commission therefore initiated the Treaty violation procedure against Italy on 5 February 1981. The decision taken earlier under Article 88 of the ECSC Treaty has since come into force and the procedure under Article 169 of the EEC Treaty has now come before the Court of Justice of the European Communities.

Moreover, the Italian Government has meanwhile reopened 12 customs posts, so that iron and steel imports are now being cleared at 24 frontier posts. The Commission regards this as considerable progress. However, some important customs posts are still closed (e.g. Ventimiglia, Bari and Salerno) and there have been complaints from Member States and undertakings affected by this. The Commission therefore takes the view that the Italian Treaty violation has not come to an end as long as trade in iron and steel products within the Community is impaired.

\*

\* \*

*Question No 12, by Mr Turcat (H-97/81)*

Subject: Consequences of the movement in the exchange rate of the dollar on the Community's external trade

Has the Commission detected any changes in the volume and value of Community exports and imports as a result of recent fluctuations in the exchange rate of the dollar?

*Answer*

Apart from the general conceptual difficulties involved in assessing the effects of fluctuation of one currency — in this case the dollar — on trade, the honourable Member's question cannot be dealt with fully at this stage. Indeed, since statistics on the Community's external trade are available only up to February 1981 inclusive, it is impossible to analyse precisely the effect of dollar fluctuations on the volume and value of Community imports and exports.

In general, while the effects of the increase in import prices are to be expected at an early stage, the beneficial effects of an improvement in the Community's competitiveness are less certain, for they depend on the policies adopted and will in any case not be felt fully until some time has elapsed. One can therefore suggest that the rise in the value of the dollar will lead, above all initially, to a deterioration in the Community trade balance, which should be attenuated later. Nevertheless, one cannot assess to what extent and at what time these two effects will cancel each other out and how long it will take for one of them to prevail.

For all these reasons, it is not yet possible to answer the honourable Member's question precisely.

\*

\* \*

*Question No 13, by Mr Ansquer (H-98/81)*

Subject: Activities of the EEC anti-dumping department

Can the Commission indicate the present line of action taken by the anti-dumping department of the European Economic Community; has the number of complaints received increased and can the department respond promptly to requests for action to solve sectoral problems?

*Answer*

There has been a marked increase in the number of anti-dumping investigations carried out by the Commission's services in recent years. The increase has been particularly noticeable since 1978 and is still continuing. In addition there is a need to carry out reviews of the anti-dumping measures already in force in the Community. Because of this increased work load, the anti-dumping staff in the Commission's services are working to full capacity and it has to be recognized that there may, on occasions, be unavoidable delays in the opening of new investigations. Action is being taken, however, to remedy the situation as quickly as possible.

\*

\* \*

*Question No 16, by Miss Quin (H-117/81)*

Subject: Commission 'scrap and build proposal to aid the European shipbuilding industry'

Will the Commission make a statement on progress made in consideration of a 'scrap and build' policy and have any new initiatives in this field been made by the Commission since the accession of Greece into the Community?

*Answer*

Following the policy debate within the Council at the end of 1979 on the communication concerning a scrap and build programme in the shipbuilding industry, the Commission, after exchanging views with interested parties, decided to postpone this initiative. The principal problems involved were financial, political and economic in nature.

Since the possibility of a Community programme has therefore been put aside, there is still the possibility, albeit very limited, of taking similar measures at national level.

The Commission is at present considering whether some of the basic objectives of a scrap and build programme in the shipbuilding industry, in particular the revival of demand, could be achieved by other means. It is, however, too early to say whether these studies will lead to new initiatives.

\*

\* \*

*Question No 18, by Mr Bonaccini (H-134/81)*

Subject: Crisis in the automobile industry

Can the Commission say what progress has been made towards the implementation of Resolution 1-673/80 of 13 January 1981?

*Answer*

In the last few weeks the Commission has devoted intensive study to the problems of the European automobile industry. At its meeting on 10 June it took a decision on this matter, and approved a sectoral study on the subject of the structure and prospects of the European automobile industry.

The decision and the study represent an answer by the Commission to the resolution passed by the European Parliament. The Commission is addressing itself at the same time to the other bodies and institutions of Community, to the governments of the Member States and to all the economic and social partners who are interested in a healthy development of the automobile sector.

The Commission will transmit the decision and study immediately to the European Parliament.

\*

\* \*

*Question No 21, by Sir David Nicolson (H-139/81)*

Subject: Reduction of lead additives in petrol

On 21 January 1981 Mr Narjes gave an answer on behalf of the Commission to written question No 1447/80, seeking the Commission's views on the possibility of a further directive on the content of lead additive in petrol

Could the Commission please advise whether it is able to give any indication as to the length of time which it will require to complete the preparatory work which is necessary before a draft directive can be published and could it also advise whether it will be prepared to publish a draft directive reducing the stipulated minimum lead content figure as an interim measure pending more comprehensive controls?

*Answer*

As stated in paragraph 2 of the answer to Written Question No 1447/80 and further explained in the answer to Written Question No 126/81<sup>1</sup> the Commission is at present not in a position to draw up a new proposal for a directive on further reduction of the lead content of motor fuels.

Since, under Directive 78/611/EEC,<sup>2</sup> from 1 January 1981 only fuels with a maximum lead content of 0.4 g/l are permitted in the Community's domestic market (with the exception of Ireland where a higher content is permitted for an initial 5-year period), the effects of this directive on the quality of air and the overall exposure of the population to lead should be awaited. Furthermore, this directive allows the Member States, should they consider it necessary, to reduce unilaterally the maximum permitted lead content to 0.15 g/l for their own national territory.

A 3-year study in Frankfurt of the blood lead levels of persons particularly exposed to atmospheric lead from fuels indicated that in spite of the reduction in the lead content of petrol from 0.4 to 0.15

<sup>1</sup> To be published.

<sup>2</sup> OJ L 197, 22. 7. 1978, page 19.

g/l in 1976 the reduction in the blood lead level was only 10-20%. The study shows that even with absolutely no lead in the atmosphere a residue will still persist.

Until there is new information to substantiate the commonly expressed suspicion that there is a considerable risk to public health from lead from fuels entering the human body via the atmosphere the Commission does not intend to propose a further reduction in the lead content limits and cannot therefore indicate the length of time required.

\*

\* \*

*Question No 22, by Mr Newton Dunn (H-144/81)*

Subject: Full recognition of qualifications of environmental health officers in the United Kingdom

Following an unpublished report made for the Commission last year, when will progress resume towards full recognition that certain non-veterinary personnel such as environmental health officers in the United Kingdom shall be permitted both to certify and to supervise inspection of meat products for intra-Community trade?

*Answer*

The Commission will be making a proposal to the Council in the near future on the system of inspection for meat, particularly in the United Kingdom. Parliament will be consulted on these proposals, which will take account of the study carried out for the Commission by a group of experts.

\*

\* \*

*Question No 23, by Mr Glinne (H-145/81)*

Subject: Humanitarian aid to El Salvador

Although Commissioner Cheysson assured the European NGOs that it was possible for humanitarian aid to El Salvador to reach the peoples actually affected by the civil war and that it would be sent through European organizations, the Commission has recently entrusted this task to the Catholic Relief Service.

Why has the Commission chosen an American organization as intermediary, given that there are NGOs in all the Community Member States, and how, under these circumstances, can the Commission exercise proper control over the final destination of European humanitarian aid to the people of San Salvador?

*Answer*

Following the suggestion by CEBEMO/EURON AID,<sup>1</sup> with which the Commission is cooperating on the transport and distribution of food aid allocated by the EEC to the NGOs (non-governmental organizations), the Commission decided to use the CRS (Catholic Relief Service) as the distribution channel for food aid to the people of El Salvador.

This is because CRS (in addition to the ICRC — International Committee of the Red Cross) proved to be a body most capable of successfully carrying out the acceptance and customs clearance of external aid and then insuring that it reaches beneficiaries through the El Salvador NGOs.

The Commission therefore takes the view that there will be full control over the delivery of the aid.

But in future we shall ensure that European NGOs are used as the distribution channel for food aid.

\*

\* \*

<sup>1</sup> Based in The Hague.



*Question No 24, by Mrs Scrivener (H-146/81)*

Subject: Atmospheric pollution caused by emissions of sulphur dioxides

The Organization for Economic Cooperation and Development (OECD) recently published a study on atmospheric pollution caused by emissions of sulphur dioxides which suggests that such emissions are harmful to health and to agricultural production and cause water pollution.

Given that the cost of the damage that could be prevented by taking effective measures against sulphur dioxides would amount to \$ 214 million (\$ 6.9 *per capita*) in respect of agricultural production and around \$ 500 million (\$ 2.5 *per capita*) in respect of the effects on health, does the Commission propose to:

- draw the attention of the Council of Health Ministers to the harmful effects of sulphur dioxides;
- take steps at Community level to reduce emissions of sulphur dioxides?

*Answer*

In the first environmental protection action programme of the Communities of 22 November 1973, sulphur compounds were already included, along with suspended particles, in the list of priority pollutants. The action taken by the Commission in implementing the programme, to combat sulphur emissions is wide ranging. It comprises the regulation of the sulphur contents of gas oil (Directive 75/716/EEC<sup>1</sup> of 24 November 1975), the Council Resolution on energy and environmental protection of 3 March 1975<sup>2</sup> (in which a range of practical measures against sulphur dioxide are called for), Directive 80/779/EEC<sup>3</sup> of 15 July 1980 on maximum and indicative levels for atmospheric sulphur dioxide and sulphur dust, the proposal for a directive on the use of heating oils with the aim of reducing sulphur emissions (which was presented to the Council as early as 1975), the convention signed by the Communities in November 1979 on extensive cross-frontier air pollution (Convention of the Economic Commission for Europe of the United Nations in Geneva, which is especially concerned with sulphur dioxide) as well as a whole range of internal studies on the measurement of sulphur dioxide concentrations in the Community and their effects on health and environment.

The above shows clearly the priority which the Commission has given to the problem of sulphur dioxide emissions and their reduction and intends to give them in future. The main reason for efforts in this field up to now has been precisely the health risk posed by this pollutant. In the context of the long-standing discussions in the Council on the aforementioned Directive 80/779/EEC the main aim was to draw up Community norms for health protection with regard to sulphur dioxide and suspended dust particles, largely based on the work and recommendations of the WHO experts. It therefore seems superfluous to me at the moment to draw the attention of the Community Health Ministers once more to this question, which has already been regulated at Community level.

\*

\*   \*

*Question No 25, by Mr Cecovini (H-148/81)*

Subject: Resolution Doc. 1-90/80 on the northern Adriatic contribution of 2 m EUA towards the elaboration of projects

On 17 April 1980 the European Parliament unanimously adopted the above resolution in the form of amendment No 1 to Doc. 1-90/80.

Paragraph 2 of the resolution calls for an initial Community contribution of 2 000 000 EUA towards the elaboration of the projects described in the preamble.

If the European Parliament's declaration is not to be reduced to a meaningless statement of intent, it is essential to make a practical start on these proposals. Can the Commission therefore indicate the steps it intends to take to ensure that the 2 m EUA is paid to the competent local authorities in the Friuli-Venezia Giulia frontier region?

<sup>1</sup> OJ L 307, 27. 11. 1975, p. 22.

<sup>2</sup> OJ C 168, 25. 7. 1975, p. 2.

<sup>3</sup> OJ L 229, 30. 8. 1980, p. 30.

*Answer*

1. The Commission has often expressed its view that Community action on infrastructure, both in the context of consultations with the Member States on projects of Community interest and in the context of financial aid to such projects, should be based on in-depth studies which would make it possible to confirm the usefulness of the projects for the Community and to assess the priorities.
2. It was thanks to the active support of the European Parliament that it was possible from 1978 onwards to begin these studies through the creation of a budget item for this purpose. Funds were allocated for this item in 1978, 1980 and 1981 so that it was possible to begin a substantial study programme with a view to gradually working out the infrastructure needs of the Community.
3. The European Parliament was informed of the studies completed or envisaged. Although the study appropriations are by no means negligible, choices are necessary. The initial emphasis was on traffic forecasts and methods of assessing the Community interest of projects, from the first practical applications to projects for links posing special problems (especially a fixed link across the English Channel, alpine crossings to the north of Milan and via the Brenner pass).
4. The Commission does not in any way exclude the possibility of including in its study programme some projects situated in the area mentioned in Resolution 90/80 if an in-depth continuation of national studies proves necessary. The inclusion of them in the 1982 budget obviously depends on the granting of the appropriations of 900 000 ECU which the Commission has requested.

\*

\* \*

*Question No 26, by Mr Key (H-151/81)*

Subject: Negotiations with the Government of Cyprus

In the light of the welcome meeting between the President of the Commission and the foreign minister of Cyprus on 3 April, 1981 and the President's encouraging statement that he will seek the approval of the Council of Ministers for the opening of negotiations with the Government of Cyprus on the association agreement for 1982-83, will the Commission state what timetable it hopes to agreement's early and satisfactory conclusion in the interest of the Community and the people of Cyprus?

*Answer*

The Commission assures the Honourable Member that the negotiating briefs it has sought from the Council for the conclusion of the 1982-83 trade arrangements between the Community and Cyprus are being considered at present by the competent Council departments.

The Commission hopes to receive these briefs in the near future, which will probably allow it to commence negotiations during the summer and to complete them in the autumn.

Like the Honourable Member, the Commission attaches particular importance to the implementation of the Association Council's decision of 24 November 1980 in the interests of both the Community and of all of the people of Cyprus and it will do all in its power to ensure that the projected timetable is observed.

\*

\* \*

*Question No 28, by Mr Denis (H-157/81)*

Subject: Food aid

Is the Commission now prepared to put an end to political discrimination, particularly against Vietnam and Cambodia, in the granting of food aid?

*Answer*

In some cases, there has been a greater need for control and good management of food aid, and in those cases the Commission channelled its humanitarian aid through international or non-governmental organizations capable of exercising adequate control and having well defined programmes to aid the vulnerable categories of the population.

This was the case in Kampuchea, but also in El Salvador, Haiti, Chile and Uganda, to mention only a few examples. Since the international operation to aid Kampuchea was begun at the end of 1979, the Community and its Member States have always contributed to it with very large food aid consignments and sums of money.

With regard to the special case of Vietnam, food aid was suspended following the decision of the European Council of July 1979.

Subsequently (decision taken at The Hague by the Ministers of Foreign Affairs in February 1980), it was decided also to suspend indirect aid to Vietnam (because of the continuing Vietnamese presence in Kampuchea, the Afghanistan question, etc). At all events, in the case of Vietnam the Commission did not present a proposal for the reasons mentioned above.

\*

\*   \*

*Question No 29, by Mrs Poirier (H-159/81)*

Subject: Community preference for tobacco production

Tobacco produced in the Community is faced with increasing competition from tobacco imported at preferential rates in defiance of the principle of Community preference, with serious repercussions for planters: reduced acreage and lower earnings.

Does the Commission intend to levy a tax, commensurate with the percentage of Community tobacco used in their blends, on the profits made by multinationals and thus create a new source of Community revenue?

*Answer*

Community preference for tobacco is ensured by means of customs duties and through measures taken within the framework of the common agricultural policy. Furthermore, the Commission considers that internal taxation, direct or indirect, is not an appropriate instrument for increasing Community preference. The Commission is not, therefore, contemplating any proposal to impose a tax on the profits of multinational companies based on the proportion of Community tobaccos used in their products

\*

\*   \*

*Question No 30, by Mrs Le Roux (H-160/81)*

Subject: Boosting milk production

It is now acknowledged that Community stocks of milk products are inadequate to meet export requirements. Does the Commission not intend to remove all obstacles to increased milk production starting with the abolition of the coresponsibility levy?

*Answer*

Stocks of milk products in the Community are now at reasonable levels, thanks to the Commission's good management of the market. We expect that exports in the course of this year will be sufficient to maintain stocks at these reasonable levels. Meanwhile milk production continues to increase, and

the Commission considers it all the more necessary to pursue coresponsibility measures so as to discourage surplus production and expand markets for milk products.

\*

\* \*

*Question No 31, by Mr Pearce (H-164/81)*

Subject: Publicity given to EEC funds

Does the Commission agree that public opinion in the United Kingdom would be more favourable to the European Economic Community if the Commission and/or the UK authorities took more effective steps to publicize in detail, in the constituencies concerned, expenditure there from the various EEC funds and, if so, what steps is it taking to remove the existing dearth of such publicity?

*Answer*

The Commission shares the honourable Member's view that suitable information about finance granted in the Community is a very important objective.

For this reason detailed information about aid from the various funds is provided, through the Commission's spokesman, to accredited journalists in Brussels. This information is also forwarded simultaneously to the Press and Information Offices and external offices in the Community which publicize it in an appropriate manner, taking account of the information needs of the regional press.

In addition, the various financial instruments of the Community publish periodic reports on their activities which provide full details of the sectors in which they operate and indicate the main categories of beneficiary.

The list of projects financed by the Regional Development Fund and by the Guidance Section of the EAGGF is also published regularly in the *Official Journal of the European Communities*.

Furthermore, the Commission, reaffirming the importance of publicizing as fully as possible information with a regional impact at local and regional level, particularly where it concerns Community financial instruments, has instructed its departments to study practical ways of improving it. These departments are working on the implementation of an action plan which will improve in stages the present system of information at regional level. Under this scheme statistics on the various forms of Community intervention will eventually be held on computer to make the information more rapidly and easily accessible.

\*

\* \*

*Question No 32, by Mr Collins (H-169/81)*

Subject: Animals for slaughter stunned before killing

Can the Commission say what proportion of animals for slaughter in each of the Member States is stunned before killing, whether it is satisfied that slaughter is always carried out in circumstances that conform to internationally agreed standards of animal welfare, and whether it considers any action is necessary in this area?

*Answer*

I am sure that in all Member States the great majority of slaughter animals are stunned before slaughter as a routine practice. The Commission has certain statistics on slaughtered animals in the Community but does not have details of the proportion of animals which are slaughtered by special methods of slaughter which are required for particular religious rites.

This matter is subject to Community legislation by virtue of the Directive 74/577/EEC on stunning of animals before slaughter. Article 4 of this Directive indicates that the question of methods of

slaughter required for particular religious rites remains subject to national rules. I think that this is the proper way to treat a question touching so closely on public policy.

\*

\* \*

*Question No 33, by Mr Purvis (H-175/81)*

Subject: Taxation on Community oil producers

What effect on the level of indigenous oil and gas exploration and production does the Commission expect from the current range and rates of taxation on oil and gas produced within Community territory?

What suggestions does it have for the Member States' Governments concerned regarding their taxation policy in order to maximize the discovery and efficient production of the Community's oil and gas reserves in the context of the EEC's energy objectives to reduce reliance on imported oil?

*Answer*

The system of taxation applicable to the production of oil and gas which is determined by the situation existing in each of the Member States of the Community, is the sole responsibility of the individual countries.

In recent years there has been evidence in a number of Member States of an increase in the tax levied on oil production. This increase has been primarily imposed by the need to adapt taxation to changing oil prices.

Since it does not have any detailed information on hydrocarbon production costs, the Commission is unable to say whether this increase in the level of taxation has any negative consequences as regards exploration and production by oil companies.

The Commission considers that any alteration in the level of taxation on oil production should still allow sufficient incentive for the development of internal reserves and therefore reduce the dependence on imported oil.

On a proposal from the Commission, the Council of Ministers has on a number of occasions referred to the importance of a high level of development of Community hydrocarbon reserves, in particular at its meetings of 27 November 1980 and 3 March 1981.

\*

\* \*

*Question No 34, by Mr von Wogau (H-176/81)*

Subject: The levying of minimal amounts of duty in intra-Community tourist traffic

There is to date no Community regulation for the simplification of intra-Community tourist traffic as regards the exemption from duty of goods which are of such low value that the amount due is minimal. Should there not be a Community regulation fixing this amount at a level which covers the administrative expenses incurred, and should this not also apply to national provisions until such time as a Community regulation is introduced, which it should be without delay, so that in the Federal Republic of Germany only duties of over DM 3 would be payable?

*Answer*

The Commission agrees with the honourable Member that in the interests of the public and national administrations alike, minimal amounts of taxes and duties should not be collected in intra-Community trade.

In this respect, it has put forward a limit of 3 ECU (approximately DM 7.5) in its proposal for a Council Directive dealing with exemption from value added tax on the final importation of certain

goods.<sup>1</sup> Amounts of tax below this limit would be treated as negligible and not collected. The Commission will, of course, also bear in mind a provision on negligible amounts of tax when it comes to consider harmonizing general exemptions from excise duties applicable to imported goods.

In the meantime, before the adoption of harmonized rules in this area, the Commission would impress on Member States the logic of avoiding tax and duty charges on importation where the individual administrative costs involved exceed the taxes due, thus avoiding unnecessary bureaucracy and waste of resources.

\*

\* \*

*Question No 35, by Mr Seal (H-177/81)*

Subject: Overseas doctors and free movement in the EEC

Is the Commission aware that the overseas doctors of British nationality holding third country qualifications are allowed to practise inside the United Kingdom but regardless of the qualifications they subsequently obtain inside the UK, they cannot practise inside the EEC Member States and are barred from free movement in the EEC, and in view of the desire of the Commission to obtain harmonization at all costs, is there any hope that Britain's overseas doctors, whose basic qualifications were acquired in their country of origin, will be allowed to practise in the EEC?

*Answer*

The directives adopted by the Council in 1975 are designed to remove obstacles preventing citizens of the Community — in this instance doctors — from exercising their profession in a Member State other than that in which they obtained their qualifications.

Parliament will agree with the Commission that mutual recognition of qualifications is possible only if the qualifications are actually equivalent, i.e. if they certify that a course of training has been completed under a national system which is in accordance with Community regulations.

Parliament must therefore also share the Commission's view that since Community regulations, by definition, apply only to the Member States, mutual recognition of qualifications can relate only to training completed within a *Member State*.

However, Community law itself (cf. Article 1 (5) of Directive 75/363) provides that Member States may, in accordance with their own rules, continue to authorize holders of qualifications obtained in a third country to exercise the profession of doctor within their territory.

\*

\* \*

*Question No 38, by Mr Welsh (H-185/81)*

Subject: Subsidized gas prices to dutch growers

Further to its written answer to my oral questions (H-766/80)<sup>2</sup> and (H-84/81),<sup>3</sup> would the Commission make a statement on its intentions as regards the exercise of its powers under Article 93(2) of the Treaty of Rome to end the subsidizing of gas prices to Dutch growers which continues to cause severe distortions in the market for horticultural products (see answer to question (H-411/80).<sup>4</sup>

*Answer*

The Commission has been informed of the new arrangements for the gas tariff for horticulture adopted in the Netherlands in May 1981. It has requested further information from the Dutch auth-

<sup>1</sup> OJ C 171, 11. 7. 1980, p. 8.

<sup>2</sup> Debates No 268.

<sup>3</sup> Report of proceedings, 6. 5. 1981 (provisional edition).

<sup>4</sup> Debates No 261.

orities, and in the light of this information it will take a decision concerning the proceedings already opened under Article 93 (2).

\*

\* \*

*Question No 39, by Mr Boyes (H-189/81)*

Subject: Downgrading of regional status of areas of the north-east of England

With reference to the Commission's answer and supplementary answer to Question (H-436/80),<sup>1</sup> will the Commission reopen negotiations with the UK Government on the above subject in view of the changing circumstances of the areas affected, i.e. the rapid growth in unemployment?

*Answer*

The Commission reminds the honourable Member that it is not empowered to open negotiations with Member States on the inclusion of a region under national regional aid systems.

Under Article 92 *et seq.* of the Treaty the Commission may only consider a region's position under a national aid system when national authorities inform it of the region's inclusion under this aid system.

Furthermore, Article 3 of the present ERDF Regulation specifies that: 'Regions and areas which may benefit from the Fund shall be limited to those aided areas established by Member States in applying their systems of regional aids and in which State aids are granted which qualify for Fund assistance'.

However, the Commission will certainly take note of Parliament's observations during the forthcoming revision of the ERDF Regulation.

\*

\* \*

*Question No 42, by Mr Vandemeulebroucke (H-206/81)*

Subject: The Community's regional information offices

Given the example of the Community's regional information offices in the United Kingdom, the Federal Republic of Germany and Italy, what plans has the Commission to set up similar offices in Belgium, France and Spain in order to cater more effectively for the particular regional requirements of those countries?

*Answer*

The Commission, aware of the need to cater more effectively for the particular requirements of the Community regions, develops regional information programmes in each Member State through its information offices.

It considers that the creating of branches of these offices where possible is a way of strengthening this regional approach to information policy. However, the implementation of the programme adopted by the Commission for the Federal Republic of Germany and Italy has been temporarily slowed down by lack of available staff. New developments are therefore not envisaged at the moment.

\*

\* \*

*Question No 43, by Mr Seligman (H-208/81)*

Subject: Equalization fund for the Community's coal industry

<sup>1</sup> Debates No 266.

What plans has the Commission to extend its decision on the equalization fund for coking coal,<sup>1</sup> in order to encourage the greater use of coal by electricity, as well as steel undertakings in all Member States?

*Answer*

The current system of aid for the production of coking coal will expire at the end of 1981.

The Commission will propose to the Council that it be extended for a further four years (1982-85).

This would make it possible to continue a system of national aid to maintain production capacities and Community aid to promote trade within the Community, estimated at 14 million tonnes per annum.

This system *applies only to coking coal* intended for use in the Community steel industry.

With regard to steam coal intended for the production of electricity, the Commission presented to the Council in 1978 a proposal to introduce certain Community aids for the use of coal rather than liquid fuels in power stations.

The Council has not yet completed its consideration of this proposal.

The market conditions for coking coal and steam coal differ; they also differ according to sector of use; the iron and steel industry on the one hand and power stations on the other. It is therefore not possible to establish a link between the way the two Commission proposals are to be applied.

\*

\* \*

*Question No 45, by Mr Doublet (H-216/81)*

Subject: Development of the railway networks

If there is a serious shortage of oil, the Member States will have to transfer some passenger and goods transport to the most economical means of transport. The railways would be one of the means of transport required to play an important part. The public authorities should be urged to prepare for this eventuality by giving the networks from now on the resources to achieve this in good time.

Does the Commission plan to take steps along these lines?

*Answer*

The Commission is aware of the advantages of rail transport from the point of view of energy consumption, particularly because railways can use alternative energy sources. However, it doubts whether, in the case of a serious oil shortage, the transfer to railways of an economically significant share of road passenger and particularly goods transport could be envisaged in the short term, because of the possible effects of this on the economy as a whole, and in view of the volume of traffic concerned.

Such a transfer would in fact require a significant increase in railway capacity, which calls for considerable investment and can be achieved only in the medium term.

The Commission's implementation of the common transport policy in any case takes account of the needs mentioned by the honourable Member. Indeed, the action proposed by the Commission on transport infrastructure mainly involves the definition of a network of major links of Community interest, with the possibility of financial aid from the Community. Energy-saving is one of the essential factors to be considered when making the policy choices involved.

Moreover, the Commission is endeavouring to encourage the transfer of road traffic to railways through the development of combined transport. Measures relating to access to the market have already been decided upon, and the Commission has now presented a proposal to the Council for a coherent package of additional measures to this end.

\*

\* \*

<sup>1</sup> OJ L 374, 31. 12. 1980.



*Question No 46, by Mrs Castle (H-217/81)*

Subject: Shortage of manufacturing beef

To ask the Commission whether it is aware of the acute shortage and high price of manufacturing beef in Europe due to the stimulation of exports through high export subsidies, and what steps it intends to take to reduce these export subsidies so that meat product manufacturers in Europe can obtain the supplies they need?

*Answer*

There is now no shortage of manufacturing beef in the Community. The price of manufacturing beef as well as the price of all beef has increased following the increase in the guide price and intervention price. The Commission is examining the possibility of having differentiated refunds for cow-beef on the one hand and beef from other adult cattle on the other hand as well as the possibility of granting refunds on boned beef based on quality.

\*

\* \*

*Question No 47, by Mr Beumer (H-220/81)*

Subject: EEC-Japan Agreement

What attempts have been and are being made to dissuade the Member States from adopting further individual protectionist measures and to establish a Community policy so that we may come to an agreement with Japan on its exports of cars?

*Answer*

1. The Community's trade policy *vis-à-vis* Japan in the car sector is determined by the statements of the Council of 25 November 1980, 17 February and 19 May 1981.

These statements noted that

- (i) 'in the sectors where a continued increase in Japanese exports to the European Community would lead to difficulties there needs to be effective moderation designed to produce early and tangible results. This should apply towards the European Community as a whole and not only to certain markets' (25 November 1980)
- (ii) 'in particular that the situation as towards Japanese car exports continued to give rise to increasing and very serious concern, in particular the position in certain regions of the Community especially the Benelux countries. The work and the contacts should be promptly pursued in this and other relevant sectors' (17 February 1981)
- (iii) 'the situation as regards Japanese car exports continued to give rise to concern, in particular the position in certain regions of the Community, especially the Benelux countries. The situation in this sector also had to be viewed in the light of the measures which the Japanese authorities had decided to take *vis-à-vis* exports to the United States. A response by the Community was called for' (19 May 1981).

In May, the Council also noted with approval the Commission's intention to discuss with the Japanese authorities a unilateral undertaking with the following main features:

- (a) recognition of the continuing efforts of modernization and adaptation to the changing conditions of world trade and competition being made by the European car industry;
- (b) an undertaking that there should be no diversion of Japanese passenger cars to the Community in consequence of the measures taken in relation to the United States and a commitment that exports of Japanese passenger cars to the Community should be subject to measures analogous to those decided by Japan *vis-à-vis* the United States, with special attention being paid to regions of the Community where difficulties in the car sector are particularly marked.

2. There is a need for Community solidarity which has been stressed frequently in council statements, e.g.:

'The Council is convinced that a common strategy of the Community is an essential prerequisite to an effective dialogue with Japan' (February 1978), and 'the need for a wide-ranging dialogue between the Community and Japan based on a common strategy' (26 November 1980).

3. Discussions with the Japanese authorities on these lines have taken place on the occasion of the visit of Foreign Minister, Mr Ito, in December 1980, and Vice-Minister Amaya to Brussels, on 27 May, and in the context of the EC-Japan high level consultations in January and on 27 May-1 June 1981.

They will be pursued when the Japanese Prime Minister Suzuki and the Foreign Minister Sonoda visit Brussels on 15 and 16 June, and on the occasion of the visit of the MITI Minister Tanaka on 17 June.

The Commission will present its conclusion from these discussions, and proposals for the future course of action, to the Council of 22 and 23 June.

Discussions with the Member States in preparation for the Council discussion, and in the follow-up thereafter, will aim at consolidating common positions in order to incorporate the concern of certain Member States in the Community approach.

\*

\* \*

*Question No 48, by Mr Curry (H-222/81)*

Subject: National aids

What action has the Commission taken since it opened an investigation under Article 93(2) in respect of the aids to agricultural incomes announced by the French Government in December last year? Has the Commission received notification of aids announced by the French Government recently to pig producers, including tax exemptions on cereals used for animal feed and a range of additional interest rate subsidies; what action does it propose to take; does an informal rule exist in the Commission that no serious investigations of national aids will take place in the period preceding elections in the country concerned?

*Answer*

The Commission was notified by the French Government on 14 February 1981 of an aid to agricultural income of a value of 2.3 thousand million French francs, and on 25 February it opened proceedings under Article 93(2) in respect of this aid.

A series of other aids, which were notified by France on the same date in accordance with Article 93, are still being examined by the Commission. As regards the aid to pig producers announced in France on 29 April 1981, the Commission has requested information urgently from the French Government.

\*

\* \*

*Question No 49, by Mr Diana (H-224/81)*

Subject: Mandate of 30 May 1980

Can the Commission confirm recent reports in the press that Mr von Dohnanyi has sent a note on behalf of the German Government to the President of the Commission concerning the adjustments to be made to the CAP within the framework of the mandate given on 30 May 1980? If so, does it not consider that this constitutes unwarranted interference in the work still under way in the Community institutions and that the note itself goes beyond the mandate which does not question the principles on which the CAP is founded and, more generally, that it is incompatible with any progress towards economic convergence?

*Answer*

1. The Commission has indeed recently received a note from the Federal Government drawing attention to certain basic views of that Government with regard to the common agricultural policy.

2. Since this was of a purely informative nature, the Commission does not see it as interference in the drawing up of the report asked for by the Council on the mandate of 30 May 1980, which is a matter for the Commission alone.

3. With regard to the content of the note, the Commission does not feel able to comment on the policy of the government of a Member State.

\*

\* \*

*Question No 50, by Mr Didò (H-225/81)*

Subject: Construction of the Montecroce Carnico tunnel

Will the Commission please indicate whether the Italian Government has submitted a project for the construction of the Montecroce Carnico tunnel? Is the Commission aware that this project has European implications for policy on transport infrastructure and is it prepared to grant a subsidy?

*Answer*

Transport infrastructure projects of potential Community interest are required to be notified to the Commission under the Decision of 20 February 1980 (78/174/EEC). The Commission has received no such communication regarding the possibility of constructing a tunnel at Montecroce Carnico.

\*

\* \*

*Question No 51, by Mr Michel (H-227/81)*

Subject: ECSC tideover allowances

For more than two years a number of Belgian frontier workers, formerly employed in the iron and steel industry of Lorraine and now redundant, have been waiting for payment of the ECSC's 'tideover' allowances to which they are entitled under the Treaty of Paris (Article 56 (2) (b)), a fact confirmed by the Commission in answer to my written question No 1337/79.<sup>1</sup>

Does the Commission intend to delay much longer in taking action against the administrative barriers imposed by a Member State which is violating the ECSC Treaty at the expense of frontier workers?

*Answer*

The Commission has not delayed; on the contrary, for more than two years it has had numerous contacts and exchanges of letters with the Member States concerned, to urge them to apply, on a reciprocal basis, the ECSC retraining agreements to frontier workers. Most recently, this question was discussed with the French authorities in April of this year.

The French authorities agreed to examine this problem again, bearing in mind that administrative questions will be settled by bilateral agreement between the relevant departments of the countries concerned.

It should be pointed out again that it is not up to the Commission to draw up the administrative measures to implement the retraining agreements. It is a matter for the Member States, who pay a share amounting to at least a half of the retraining expenses in accordance with Article 56, paragraph 2b, of the Treaty of Paris.

\*

\* \*

<sup>1</sup> OJ C 86, 8. 4. 1980, p. 39.

*Question No 52, by Mr Patterson (H-230/81)*

Subject: Granting of entry into a Member State

On 27 April this year a 17-year old English boy with valid UK passport was refused entry to France at Dieppe. The reason given by the French *Police de l'Air et des Frontières* was '*défaut de ressources*'.

The traveller did in fact carry FF 370 and £ 10 together with a return ticket from London Victoria to Cannes. He was due to stay with the brother of a friend in Frejus and therefore would have had free board and lodging for his planned five-day stay.

Could the Commission state whether national authorities are prevented by any Community provisions from refusing entry on such grounds; if there are no such Community provisions, whether the Commission will make proposals in this field, e.g. by laying down guidelines as to the resources considered necessary by national governments for granting entry into a Member State and whether it will conduct an investigation into the compatibility with both the letter and the spirit of the Treaties of the discretionary authority invested in national immigration authorities which enables them summarily to refuse entry into one Community State of a citizen from another Community State on grounds such as '*défaut de ressources*'?

*Answer*

1. The Commission considers that Community law does not permit the authorities of Member States to check whether a Community citizen is in possession of adequate funds on entry into the country. They may only demand the production of a valid identity card or passport. However, entry may be refused on the grounds of public policy, public security or public health. Reasons must be given to the person concerned unless this is not possible on the grounds of national security.
2. This answers the honourable Member's second question.
3. It is therefore unnecessary to conduct an investigation as suggested by the honourable Member. The citizen concerned is at liberty to insist on his rights whilst observing the prescribed procedure.

*II. Questions to the Council**Question No 59, by Mr Ansquer (H-99/81)*

Subject: Creation of a European oil pool designed to reduce tensions in the event of mini-crises

When does the Council intend to set up the European oil pool, designed to reduce tensions in the event of mini-crises?

*Answer*

At its meeting on 3 March 1981, the Council held an initial discussion on this question and requested the Commission to continue examining in detail the possibilities for pooling petroleum stocks during periods of market tension and to submit a report to the Council. The Council intends to continue its discussions on this at one of its forthcoming meetings.

\*

\* \*

*Question No 62, by Mr Calvez (H-124/81)*

Subject: Fishing

The Member States want to reach a fair compromise on fishing, but is the Council aware that some of them, including France, cannot accept either a solution that would involve permanently departing from the fundamental principle of equal conditions of access to and use of Community waters or a solution which would restrict French fishing rights?

*Answer*

The Council assures the honourable Member that it is aware of the importance attached by French fishermen and those of other Member States to being able to work in conditions conforming to the conditions of the Treaty, and that it will therefore seek a fair solution in accordance with the Treaty.

\*

\* \*

*Question No 64, by Mr Cousté (H-156/81)<sup>1</sup>*

Subject: Trade between Japan and the EEC

Does the Council of Ministers not feel that the Japanese Government is 'dragging its feet' where the increase in its industrial exports to the Community is concerned, thereby giving a boost to Japanese traders and industrialists?

As the Community's bilateral trade deficit with Japan has risen by about 30% to \$10 700 million, should the Council not take firm decisions rather than merely 'monitor imports'?

*Answer*

The Council views the trends in trade between the Community and Japan with grave concern, and has since November 1980 addressed itself to the problems on many occasions. In particular, it made important declarations at its meeting of November 1980, and in February and May of this year, in which it notably expressed its preoccupations regarding the level and excessive concentration of Japanese exports in certain sensitive sectors, and underlined the importance of the Japanese government's taking positive measures to increase Japanese imports of Community products.

Following further high-level consultations with Japanese representatives in Brussels at the beginning of June, the Council will again address the matter at its next meeting of 22 and 23 June 1981.

\*

\* \*

*Question No 65, by Mr Dalakouras (H-136/81)*

Subject: Passport control discrimination in the United Kingdom

In view of the Commission's unsatisfactory display of ignorance on the matter about which I complained in the following question (H-16/81)

'Is the Commission aware that, despite Greece's accession from 1 January 1981 as a full member of the European Communities, passport control officials at points of entry into the United Kingdom are continuing to treat Greek travellers in the same way as persons coming from outside the Community and that even the arrival sign 'From EEC countries' has been replaced by another one bearing the names of the nine Member States only, excluding Greece?'

is the Council in a position to inform us whether measures have been taken to ensure that there will be no repetition of this kind of discrimination which gives the impression that there are first and second class members of the EEC?

*Answer*

This is a matter for the Member State in question. But I understand that the British authorities have now taken measures to change the signs at London Heathrow and Dover Immigration Controls, to which the honourable Member refers. Under the new arrangements, full recognition is given to

<sup>1</sup> Former written question No 345/81, converted into a question for question time.

Greece's status as a Member of the EEC, while account is also taken of the provisions of Article 45 and 46 of the Treaty of Accession of the Hellenic Republic to the EEC.

\*

\* \*

*Question No 67, by Mr Gondikas (H-149/81)*

Subject: Defamation of Greece by German television

On 29 April 1981 the Greek newspaper 'TA NEA' announced that Germany's second TV channel (ZDF) was presenting a defamatory programme about Greece entitled 'Help! The Greeks are coming. The poorest country in the Community needs financial injections'.

The general picture which the programme presents is one of the Greeks as beggars, rejoicing every time Greece receives funds from the budget even though, as everybody knows, these are paid out by virtue of decisions taken by the Community institutions.

Seeing that people in many different countries in Europe watch German television, the matter takes on Europe-wide dimensions.

Does the Council believe that the expression of such attitudes as between countries of equal status promotes solidarity within the Community and bilateral relations between West Germany and Greece?

What can be done to have the programmes in question stopped and what guarantees are there that similar actions will not be repeated in the future?

*Answer*

The Council is not competent to exercise any control over the programmes of television stations broadcasting in the Member States.

\*

\* \*

*Question No 68, by Mr Key (H-150/81)*

Subject: Negotiations with the Government of Cyprus

In the light of the President of the Commission's statement on 3 April 1981, that he would seek the approval of the Council to open negotiations with the Government of Cyprus on the association agreement with Cyprus for 1982-83, will the Council state when it expects to give the Commission the necessary mandate for these important negotiations and will it acknowledge the importance to Cyprus and the Community of an early and satisfactory conclusion being reached?

*Answer*

Work on the definition of directives to be given to the Commission for the negotiation with Cyprus of trade arrangements to apply between the Community and that country in 1982 and 1983 is continuing at Council level.

Aware of the importance of those negotiations to the Community and Cyprus, the Council will spare no efforts to ensure that these negotiating directives are adopted as rapidly as possible.

\*

\* \*

*Question No 69, by Mrs Ewing (H-153/81)*

Subject: Protection of Community waters from sub-standard tankers

Will the Council state when it intends to implement the proposals to protect Community waters from sub-standard tankers?

*Answer*

The Council has provisionally broken off its discussions on a Commission proposal, submitted on 2 July 1980, concerning the enforcement, in respect of shipping using Community ports, of international standards for shipping safety and pollution prevention. The Council is waiting for the so-called '13 country' Working Party, set up by the Paris Regional Conference on Shipping Safety, to finish drawing up, on the basis of a text very similar to that of the Commission proposal, a regional Agreement on monitoring in European ports. The Council will then decide on the measures to be taken in order effectively to implement this Agreement within the Community, taking account of the Commission proposals in this area.

\*

\* \*

*Question No 71, by Mr Pranchère (H-158/81)*

Subject: Political discrimination in trade

Is the Council prepared to put an end to political discrimination in trade with third countries and the granting of food aid?

*Answer*

There is no political discrimination in the Community's trade or food aid policy.

The Community's trade policy is based on respect for GATT rules and the exceptions to the most-favoured-nation clause authorized by GATT.

The allocation of food aid by the Community is based primarily on an objective assessment of the real need for such aid, especially on the basis of the following three criteria: basic food needs, *per capita* income, balance of payments situation.

\*

\* \*

*Question No 72, by Mr Pearce (H-165/81)*

Subject: Publicity given to EEC Funds

What procedures exist whereby the Council ensures that adequate publicity is given to grants from the European Social, Regional and Agricultural Funds in the localities concerned (taking 'localities' to mean Euro-constituencies, as far as the UK is concerned) and is the Council satisfied that the Commission carries out publicity work in this regard effectively?

*Answer*

The honourable Member's attention is drawn to the fact that the Council, The European Parliament and the public are informed of the activities of the Regional, Social and EAGGF Funds, either by periodic reports to the institutions concerned, or by the lists of the projects of sectors financed, published in the *Official Journal of the European Communities* by the Commission.

Moreover, the Council has provided in Article 9 of Regulation No 724/75 that the Member States must indicate clearly in their budgets the amounts received from the Regional Fund and must inform the Commission of the uses to which the amounts received are put.

The Commission also publishes information on a systematic regional basis which makes it possible to publicize in greater detail the Community aid granted to Member States by the Social Fund.

The Council does not, however, have information on any publicity activities undertaken by the Commission at local level.

\*

\* \*

*Question No 75, by Mrs Lizin (H-178/81)*

Subject: The siting of nuclear power stations in frontier regions

Can the Council report on the progress of this file? What steps have been taken and when will the matter next come up for discussion?

*Answer*

It is by trying to bring closer together positions which still differ that the Presidency is endeavouring to make progress in its work on the siting of power stations (and not only nuclear power stations) in frontier regions.

\*

\* \*

*Question No 76, by Mr Ansart (H-179/81)*

Subject: Violations of human rights in Ulster prisons

Is the Council finally going to place on the agenda of one of its forthcoming meetings the tense human rights situation prevailing in the Long Kesh and Maze prisons, a situation which has already led to the death of two Irish militants from the effects of hunger strikes?

*Answer*

The question raised by the honourable Member does not fall within the Council's jurisdiction.

\*

\* \*

*Question No 81, by Mr Welsh (H-194/81)*

Subject: Renegotiation of the multifibre arrangement

When does the Council propose to conclude its deliberations establishing the Commission's negotiating guidelines for the Geneva discussions on the renewal of the multifibre arrangement?

*Answer*

Negotiations on the future multifibre arrangement should be concluded by the end of the year since the existing arrangement is due to expire on 31 December 1981.

The Council is at present examining the proposals submitted by the Commission with a view to these negotiations; an initial decision on the broad outline of the Community's negotiating position is expected by the end of June.

The Council will of course follow the progress of the negotiations closely and will be able — in the light of their development — to adjust the Community's negotiating position as may be necessary.

\*

\* \*



*Question No 84, by Mr Schwencke (H-215/81)*

Subject: Euro-Arab Conference of Ministers

As one of the important topics for discussion at the Euro-Arab Conference of Ministers in the autumn of 1981, will the Council also call for the lifting of the economic boycott on Israel by the States belonging to the Arab League, and how does the Council view the request to this effect based on the preliminary discussions with representatives of the Arab League on 21 and 22 May in The Hague?

*Answer*

The Council can only reaffirm the principle which it has already expressed on a number of occasions — that it attaches fundamental importance to non-discrimination both within the Community and in its relations with third countries.

This principle is clearly stated in the agreements reached by the Community with the various countries of the Mediterranean basin.

However, the question raised by the honourable Member is not among the subjects so far picked out by the Euro-Arab Ad Hoc Group responsible for preparing the Ministerial Conference. The discussion of these subjects aims to encourage and develop, in the interests of both parties, Euro-Arab cooperation in the economic and cultural fields.

\*

\* \*

*Question No 85, by Mrs Castle (H-218/81)*

Subject: The issuing of licences for the import of beef for manufacturing

Is the Council aware of the hardship caused both to consumers and manufacturers of meat products by the delay in fixing imports of manufactured beef under the balance sheet arrangements and in issuing licences for these imports, to the detriment of meat manufacturers, and what steps is the Council taking to prevent these delays in future?

*Answer*

The Council is fully aware of the difficulties caused by the delay in the adoption of the annual estimate concerning beef and veal intended for the processing industry for the period 1 January to 31 December 1981, and very much regrets the inconvenience caused to those concerned.

Normally the Council adopts the annual estimate before the end of the preceding year. On this occasion, however, the position of certain delegations on the proposal was such that unanimous agreement was possible only in the context of the annual compromise agreement on agriculture prices and related measures, reached by the Council on 2 April 1981.

There is no reason to expect a similar delay in the future, but in the light of this year's experience, the Council will be particularly aware of the importance of taking its annual decision in due time.

\*

\* \*

*Question No 87, by Mr Beumer (H-221/81)*

Subject: EEC-Japan Agreement

What attempts have been and are being made to dissuade the Member States from adopting further individual protectionist measures and to establish a Community policy so that we may come to an agreement with Japan on its exports of cars?

*Answer*

The Council has repeatedly addressed itself to the problem of trade relations with Japan during recent months: it views the trends in trade between the Community and Japan with grave concern.

One of the most notable examples of products where there exists a certain restraint in some Community Member States on imports from Japan, is passenger cars. The Council expressed its preoccupation at developments in this field, notably in respect of increased import penetration in certain regions of the Community, and in particular asked the Japanese authorities, following the measures Japan had recently taken to limit exports of passenger cars to the USA, to enter a commitment whereby exports of cars to the Community would be the subject of measures analogous to those decided by Japan *vis-à-vis* the United States.

That aim is at present being pursued in high-level consultations between the Commission and Japan, the outcome of which will be reviewed by the Foreign Affairs Council at its meeting of 22 and 23 June 1981.

\*

\* \*

*Question No 88, by Mr Patterson (H-231/81)*

Subject: Delays caused to citizens of one Member State entering another Member State

Will the Council address itself as a matter of urgency to devising measures which will reduce the delays caused to citizens of one Member State entering another Member State by the examination of passports; an example of which occurred on 8 May when 500 British tourists on board the Mikhail Lermontov were apparently delayed for up to two hours by passport examination, and in consequence were unable to make a tour of the Vatican City?

*Answer*

The individual Member States are responsible for determining how police controls are carried out at their external or internal frontiers.

\*

\* \*

*III. Questions to the Ministers of Foreign Affairs**Question No 93, by Mr Israel (H-162/81)*

Subject: Action on behalf of Anatole Shcharansky

What action have the Foreign Ministers taken on the European Parliament's May 1980 resolution on the situation of Anatole Shcharansky? Have they taken any steps to improve the situation of the Russian mathematician whose health is seriously deteriorating?

*Answer*

The Ten attach the greatest importance to respect for human rights in pursuing their aims in the CSCE process. The Ten have made known the views which they hold, and must ensure that these views are kept in the forefront. With regard to specific cases such as that of Mr Shcharansky, the Ten wish to draw your attention to the answers given to questions H-189/80 and H-702/80.

\*

\* \*

*Question No 95, by Mr Van Miert (H-184/81)*

Subject: Extension of political cooperation

Can the Foreign Ministers meeting in political cooperation state which aspects of security and defence they will henceforward be considering in the context of European political cooperation, further to the intentions expressed during the 'Gymnich talks' of 9 and 10 May, and which aspects will not be on the agenda?

*Answer*

As the honourable Member knows, talks of the kind held in Gymnich provide an opportunity for an informal exchange of ideas between ministers, and no official decisions were taken there.

The possibility of a broadening of the basis, and an improvement of the present system, of political cooperation is something which needs to be further discussed, and the Ten have so far not adopted a definite position. The President is therefore not in a position to provide, on behalf of the Ten, the information asked for by the honourable Member.

\*

\* \*

*Question No 96, by Mrs Lizin (H-192/81)*

Subject: Political Cooperation Secretariat

It is correct that at their meeting in Venlo the Foreign Ministers decided to rule out any possibility of setting up a Political Cooperation Secretariat?

*Answer*

The meeting in Venlo mentioned by the honourable Member was an informal meeting at which the Ministers were able to discuss freely subjects of Community importance. It is not necessary for such a meeting to lead to formal and binding conclusions or decisions.

This also applies to the discussions between the Ministers on political cooperation, in which they discuss in general terms the possibilities and means of strengthening or improving certain aspects of political cooperation. The Ministers took the view that there should be more detailed and thorough-going consideration before definite decisions could be taken. They also thought that a bureaucratization of political cooperation ought to be avoided.

\*

\* \*

*Question No 98, by Mr Seligman (H-209/81)*

Subject: Relations between the Community and the Arab States of the Gulf.

On 15 February 1981 the Kingdom of Saudi Arabia, the State of Bahrein, the State of the United Arab Emirates, the State of Kuwait, the State of Qatar and the Sultanate of Oman established a Council for Cooperation of the Arab States of the Gulf with its Secretariat-General in Riyadh. What steps are the Foreign Ministers of the Ten taking to establish relations with the Council for Cooperation of the Arab States of the Gulf?

*Answer*

At the Summit Conference of 25 and 26 May, the Heads of State of the United Arab Emirates, Oman, Saudi Arabia, Qatar, Kuwait and Bahrain set up a Council for Cooperation in the Persian Gulf. The Foreign Affairs Ministers of those countries had decided on the principle of setting up that Council at their meetings of 4 February and 9 March.

To the best of our knowledge, the Council is to provide an inter-governmental framework for cooperation, coordination and integration through the implementation of joint projects and formulation of identical economic, social and statutory provisions and for information measures.

Up to now, matters arising in these areas of cooperation have generally been dealt with satisfactorily with each individual country separately.

As soon as further information becomes available on this Council for Cooperation in the Persian Gulf, it will be possible for the Ten to consider what possible form of relations might be established with that inter-governmental organization.

\*

\* \*

*Question No 99, by Mr Cariglia (H-212/81)*

Subject: Anti-terrorist measures

The attempt on the life of His Holiness the Pope has amazed the general public, who cannot understand how it is that a criminal can easily have freedom of movement within the Community.

Can the Ministers inform the European Parliament whether it is true that the Pope's attacker was deported from the Federal Republic of Germany, whether the police authorities of the other Member States of the Community were informed of this measure, and whether the Ministers intend to propose effective measures for combating terrorism at Community level to prevent and deal with the increasingly frequent threat to the safety of the public and public institutions?

*Answer*

The President informs the honourable Member that the presence of the Pope's attacker in the Federal Republic of Germany was never established and that he was therefore never expelled from that country. The other Member States could thus not have been informed by the competent German authorities. As the President has already told the European Parliament on a number of occasions, the cooperation between representatives of the ministers of the Member States responsible for public order (the Trevi Group) has the aim of making an effective response to any form of international terrorism which may threaten the people of the Member States.

## SITTING OF THURSDAY, 18 JUNE 1981

## Contents

1. <i>Budgetary control — Reports, on behalf of the Committee on Budgetary Control, by Mr Irmer (Doc. 1-136/81/A, B and Annex), Mr Kellett-Bowman (Doc. 1-59/81 and Doc. 1-66/81), Mr Gabert (Doc. 1-695/80) and Mr Dankert (Doc. 1-174/80):</i>	<i>Mr Ruffolo (S); Mr Diligent (EPP); Mr Harris (ED); Mr Cardia (COM); Mr Blaney (TCDI); Mr Muntingh; Mr Travaglini; Mrs Ewing; Mr Griffiths; Mr Pöttering . . . . .</i>	217
<i>Mr Irmer; Mr Kellett-Bowman; Mr Gabert; Mr Dankert — rapporteurs . . . . .</i>		177
<i>Mr Tugendbat (Commission) . . . . .</i>		183
<i>Mr Clinton, draftsman of an opinion . . . . .</i>		188
<i>Mr Key (S); Mr Aigner (EPP); Mr Patterson (ED); Mrs Boserup (COM); Mr Dankert; Mr Notenboom; Mr Price; Mr Colla; Mr Früh; Mr Battersby; Mr Fotilas; Mr Davignon (Commission); Mr Tugendbat; Mr Aigner (Committee on Budgetary Control) . . . . .</i>		189
2. <i>Commission statement on the iron and steel industry:</i>	5. <i>Votes:</i>	
<i>Mr Davignon (Commission); Mr Wagner; Mr Franz; Miss Forster; Mr Bonaccini; Mr Gautier; Mr Hänsch; Mr von der Vring; Mr Griffiths; Mr Kappos; Mr Delorozoy; Mrs Hoff; Mrs Lizin; Mr Davignon; Mr von der Vring; Mr Davignon; Mr Delorozoy; Mr Wagner; Mr Davignon. . . . .</i>	• <i>Vayssade report (Doc. 1-65/81): Abolition of the death penalty:</i>	
	<i>Mrs Vayssade, rapporteur . . . . .</i>	225
	<i>Mr Sherlock; Mrs Vayssade . . . . .</i>	225
	<i>Explanations of vote: Mr Kappos; Mrs Kellett-Bowman; Mr Van Minnen; Mr Habsburg; Mr Wedekind; Mr Beyer de Ryke; Mr Ferri; Mrs Macciocchi; Mr Marshall; Mr Schwencke; Mr Galland; Mrs Baduel Glorioso</i>	225
	<i>Adoption of the resolution. . . . .</i>	228
	• <i>Irmer report (Doc. 1-136/81/A, B and Annex): Accounts of Parliament for 1979:</i>	
	<i>Mr Irmer, rapporteur. . . . .</i>	228
	<i>Mr Aigner (Committee on Budgetary Control)</i>	228
	<i>Written explanation of vote: Mr Bonde, Mr Bøgh, Mrs Hammerich and Mr Skovmand . . . . .</i>	229
	<i>Adoption of the resolution. . . . .</i>	229
	• <i>Kellett-Bowman report (Doc. 1-59/81): Budgetary control aspects of Ispra:</i>	
	<i>Adoption of the resolution. . . . .</i>	229
	• <i>Kellett-Bowman report (Doc. 1-66/81): Budgetary control aspects of the data-processing centre:</i>	
	<i>Adoption of the resolution. . . . .</i>	229
	• <i>Gabert report (Doc. 1-695/80): 'Como butter' case:</i>	
	<i>Written explanation of vote: Mr Bonde, Mr Bøgh, Mrs Hammerich and Mr Skovmand . . . . .</i>	229
	<i>Adoption of the resolution. . . . .</i>	229
	• <i>Dankert report (Doc. 1-174/81): Ninth financial report on the EAGGF (1979):</i>	
	<i>Mr Irmer, deputy rapporteur. . . . .</i>	229
	<i>Adoption of the resolution. . . . .</i>	229
3. <i>Taxes on manufactured tobacco — Second report by Mr Beumer (Committee on Economic and Monetary Affairs) (Doc. 1-871/80/II):</i>		
<i>Mr Beumer, rapporteur . . . . .</i>		213
<i>Mr Tugendbat (Commission); Mr Moreau (Committee on Economic and Monetary Affairs); Mr Hopper; Mr Tugendbat; Mr Martin; Mr Beumer . . . . .</i>		214
<i>Point of order: Mr Patterson. . . . .</i>		216
<i>Referral back to committee . . . . .</i>		216
4. <i>Fifth annual report on ERDF — Report by Mrs Martin (Committee on Regional Policy and Regional Planning) (Doc. 1-181/81):</i>		
<i>Mrs Martin, rapporteur. . . . .</i>		216

- |  |  |
|--|--|
| <p>6. <i>Fifth annual report on the ERDF (continuation):</i><br/>Mr von der Vring; Mr Giolitti (Commission) . . . . . 230</p> <p>7. <i>Community regional policy and Northern Ireland — Report by Mrs Martin (Committee on Regional Policy and Regional Planning) (Doc. 1-177/81):</i><br/>Mrs Martin, rapporteur . . . . . 232<br/>Mr Hume (S); Mr Harris (ED); Mr Maher (L); Mr Blaney (TCDI); Mr Paisley (NA) . . . . . 233</p> <p>8. <i>Common organization of the market in sugar — Motion for a resolution by Mr Markozanis and others (Doc. 1-221/81):</i><br/>Mr Vardakas; Mr Dimopoulos; Mr Davignon (Commission); Mr Dimopoulos . . . . . 238</p> <p>9. <i>Present economic and monetary situation — Motions for resolutions by Mr Ruffolo and others (Doc. 1-283/81) and Mr Bonaccini and others (Doc. 1-288/81):</i><br/>Mr Ruffolo; Mr Bonaccini; Mr Herman (EPP); Mr Purvis (ED); Mr Delorozoy (L); Mr Pasmazoglou; Mr Ortoli (Commission); Mr Herman; Mr Bangemann; Mr Ruffolo . . . . . 239<br/>Adoption of the resolution as amended by Amendment No 1 by Mr Ruffolo and Mr Bonaccini . . . . . 246<br/>Mr Hänsch; Mr Enright; Mr von der Vring; Mr Ripa di Meana . . . . . 246</p> | <p>10. <i>Recent arrests of Czechoslovak citizens — Motion for a resolution by Mr Pelikan and others (Socialist Group) (Doc. 1-284/81):</i><br/>Mr Pelikan; Mr Fotilas (S); Mr Kappos; Mr Davignon (Commission) . . . . . 247<br/>Adoption of the resolution . . . . . 249</p> <p>11. <i>Bombing of the nuclear power station at Tammuz — Motions for resolutions by Mr Fanti and others (Communist Group) (Doc. 1-289/81) and by Mr Glinne (Socialist Group) and Mr Bangemann (Liberal and Democratic Group) (Doc. 1-293/81/rev.):</i><br/>Mr Fanti; Mr Glinne; Mr Ripa di Meana (S); Mr Blumenfeld (EPP); Mr Fergusson (ED); Mrs Le Roux (COM); Mr Haagerup (L); Mr Israel (EPD); Mrs Macciocchi (TCDI); Mr Pasmazoglou; Mr Marshall; Mr Kappos; Mr Davignon (Commission); Mr Glinne; Mr Bangemann; Mr Fanti; Mr Blumenfeld; Mr Glinne; Mr Fergusson; Mr D'Angelosante; Mr Glinne; Mr Fanti; Mr Bangemann; Mr Israel; Mr Bangemann . . . . . 249</p> <p>12. <i>Floods in Lower Saxony — Motion for a resolution by Mr Helms and others (Group of the European People's Party) (Doc. 1-291/81):</i><br/>Mr Helms; Mr Wettig (S) . . . . . 259<br/>Adoption of the resolution . . . . . 259<br/>Sir James Scott-Hopkins; Mr Geurtsen; Lady Elles; Mr Welsh; Mr D'Angelosante . . . . . 259</p> |
|--|--|

IN THE CHAIR: MR DANKERT

*Vice-President*

*(The sitting was opened at 10.10 a.m.)<sup>1</sup>*

1. *Budgetary control*

**President.** — The first item on the agenda is the joint debate on five reports drawn up on behalf of the Committee on Budgetary Control:

— Report (Doc. 1-136/81/A, B and Annex) by Mr Irmer on

I — the accounts of the European Parliament and the discharge in respect of the 1979 financial year

II — the discharge to be granted to the Commission on the implementation of the budget of the European Community of the 1979 financial year and the report of the Court of Auditors (Doc. 1-662/80)

III — discharge to be granted to the Commission of the European Community in respect of the utilization of the appropriations of the fourth European Development Fund in the 1979 financial year

IV — The comments accompanying the decisions granting a discharge of the implementation of the budget of the European Community for the 1979 financial year (Article 85 of the Financial Regulation of 21 December 1977)

V — the discharge to be granted to the Commission of the European Community in respect of the activities in the first, second and third European Development Funds in the 1979 financial year

— the report (Doc. 1-59/81) by Mr Kellett-Bowman on the budgetary control aspects of the Joint Research Centre establishment at Ispra;

<sup>1</sup> *Approval of minutes — documents received — membership of committees: see minutes.*

**President**

- the report (Doc. 1-66/81) by Mr Kellett-Bowman on the budgetary control aspects of the data-processing centre of the Commission of the European Communities (Doc. 1-66/81);
- the report (Doc. 1-695/80) by Mr Gabert on the powers of control of the Commission of the European Communities over the collection of own resources following the judgment of the Court of Justice in Case No 267/78 'Como butter';
- the report (Doc. 1-174/74) by Mr Dankert on the ninth financial report on the European Agricultural Guidance and Guarantee Fund, 1979, Guarantee Section. I call the rapporteur.

**Mr Irmer, rapporteur.** — (DE) Mr President, ladies and gentlemen, in the short speaking time available to me, I must confine myself to making a few general remarks on the essential aspects of the discharge procedure. I should also like to touch on a few basic points, but I must ask you then to stick to the motion for a resolution and the written explanatory statement attached thereto, and also to the reports produced by the draftsmen of opinions, who will be speaking on certain aspects of the various policy sectors as soon as I have had my say.

I should like to begin by thanking all the draftsmen of opinions and the Chairman of the Committee on Budgetary Control most sincerely for all the work they have put in. I should also like to make a point of thanking the Court of Auditors, without whose annual report it would be impossible for this House to do its work on the discharge. Finally, I should like to thank the Commission's representatives, who have regularly followed the work in our meetings and who have always been available for discussions and further information.

I have one further preliminary remark to make. We note with considerable concern that relations between the Commission and the Court of Auditors have clearly not been of the best recently. I regard this as a dangerous development from the point of view of all the Community institutions, and I should like to address an appeal here in my capacity as rapporteur to those concerned to get things back on the right rails, because we are after all working and fighting for a common cause and we should not allow trivial squabbles to lead us from the straight and narrow.

Mr President, ladies and gentlemen, the discharge debate is one of the highlights of Parliament's working year. That may not yet be the view taken by the public at large, and even here in this House there may be some Members who regard the discharge debate as a formality or as a chance for a review of past history. The fact is, though, that discharge of the budget is of paramount importance for the relations of the Community institutions and also for this House's self-esteem. What we are talking about here is by no

means a formality. What we are primarily concerned with is not what happened in 1979 so much as carrying out an overall political review of the results of the work of the institutions in 1979 and drawing the necessary conclusions for the future. In other words, we are mainly concerned with evaluating the 1979 budget to see what lessons can be learned as regards our future political work.

It is generally known that the rights available to this House are essentially of a budgetary nature and that these rights are central to our endeavours to assert our own powers, especially so long as we have no genuine legislative powers. But these budgetary rights would not be worth the paper they are written on if this House had no means of keeping tabs on how the budget is actually administered and imposing sanctions if we were to discover that administration of the budget had somehow been improper. We can do this by acting as a budgetary watchdog throughout the budget year, but our special weapon is the discharge debate, and for that reason, Parliament's powers of discharge are a logical and necessary extension to its budgetary powers.

The 1979 budget procedure was characterized to a greater extent than hitherto by the fact that Parliament was determined to push through a highly specific policy. It was by no means a coincidence that 1979 saw the first appearance of the great budget conflicts which have now become a traditional element, the reason being that Parliament succeeded in forcing through what it wanted to see — a stronger regional policy — against the wishes of the Council. We now have to ask ourselves to what extent the political will of this House, which it demonstrated in the 1979 budget procedure as one arm of the budgetary authority, has been translated into practical work.

Let me repeat that, without monitoring powers and without sanctions, Parliament's budgetary rights would be a blunt instrument, and the budget conflicts we have been through since then would be no more than shadow-boxing, and our successes no more than pyrrhic victories. The Commission would then be free to implement the budget or not as it pleased. The Council could issue regulations or fail to do so without any practical consequences whatsoever. In short, the budget would be no more than a meaningless piece of paper. Parliament would be forced to sit by powerlessly and see how its political will was ignored little by little over the years.

Unfortunately, we are bound to say that, in implementing the 1979 budget, the Commission did not do all it could have done to comply with Parliament's political will. There is a logical progression in the fact that this House's powers of discharge have developed parallel to the extension of our budgetary powers. It used to be up to the Council alone to discharge the budget. Then Parliament and the Council cooperated on the matter. Now discharge is entirely a matter for

**Irmer**

this House, and that, ladies and gentlemen, is a matter of considerable importance. Parliament and Parliament alone takes the decision.

There are two reasons why this is an important matter. Firstly, the European Parliament can refuse to discharge the budget. That would have repercussions which are not expressly provided for in the Treaties, but from the political point of view, it is quite apparent that any such action on the part of this House would be tantamount to a negative overall political assessment of the work of the Commission which would be bound to have political consequences and which would boil down to a motion of censure *vis-à-vis* the Commission. The Commission would then have to resign.

Secondly, the remarks contained in the motion for a resolution regarding the discharge decisions are of a binding nature. Article 85(3) of the Financial Regulation clearly states that 'The institutions shall take all appropriate steps to take action on the comments appearing in the decisions giving discharge'. Most of the other decisions we take here are in the form of recommendations, appeals, requests or suggestions. The decisions we have to take today are binding and must be heeded to the letter by the other institutions.

This of course opens up wide vistas before us, and we should therefore consider very carefully what we are in fact deciding in our resolution, because we are free to comment on the budget sectors on which we do not have the final word in the budgetary procedure. For instance, we are free to comment on the Guarantee Section of the EAGGF, which we have in fact done in our proposed motion for a resolution. We can give instructions and tell the Commission how it should proceed, and the Commission is then required to comply with Parliament's comments. If the Commission were to ignore our comments, ladies and gentlemen, this would be bound to have consequences in that the Commission would then be flouting the law. It might even mean this House having to pass a motion of censure on the Commission. At the very least, there would be a question-mark over whether or not a discharge would be granted in the following year. The motion for a resolution must therefore be viewed in this light, as almost amounting to a means whereby Parliament's budgetary rights can be forcibly imposed.

I should like, ladies and gentlemen, to give you a specific example of where any such eventuality is bound to have direct repercussions. Let us take a look at the resource utilization rate in the 1979 budget. In times past, we have again and again complained about the fact that the resources provided for in the budget have only been expended to a very limited extent. As regards the 1979 budget, it is evident that, of the differentiated appropriations, 78.6% of commitment appropriations were actually paid out, compared with only 39.4% of payment appropriations. In other

words, nearly a quarter of the commitment appropriations and more than half — in fact, two-thirds — of the payment appropriations were not in fact expended. While it is true that these figures have improved on those of earlier years, the figures for 1979 are shocking enough, especially bearing in mind the fact that the resource utilization rate in those sectors in which the European Parliament had made changes deteriorated rather than improved. To put it bluntly, the specific political programme decided on by Parliament in 1979 was put into practice to only an extremely unsatisfactory degree.

There are three main reasons for this. Although it is true that cooperation between the Member States is unsatisfactory and there are certain technical problems in spending the money set aside — and we are bound to sympathize with these problems — the problem is not of a fundamental nature. Improvements can be made. However, in many cases — and this is a more serious criticism — all of us concerned with the budgetary procedure tend to overestimate our own capabilities. I would therefore appeal to all of us to include in future budgets only those resources we believe can actually be spent. There is a suspicion, though, that the Commission sometimes tends to apply for excessive resources in its preliminary draft budget so as to be able to use these resources for other purposes later by way of resource transfers. It is time we gave the Commission a clear warning that we shall be keeping a closer watch on such practices in the future and will not be prepared to tolerate them.

It is, however, a well-known fact that the main reason for the inadequate rate of resource utilization is that the Commission has so far refused to pay out money which is committed in the budget but which has not been released by the Council in the form of supplementing legislation. There is a very real danger here of Parliament's budget rights being totally undermined, and Parliament can no longer accept the Commission's view. In points 15 to 17 and in point 55 of the motion for a resolution, we have called on the Commission to revise its view of this legal situation. The budget determines *whether* a particular amount of money is to be disbursed. The Council's supplementing legislation can only decide *how* this is to be done. If the 'how' decision is not taken, there is no reason for the 'whether' decision to be questioned and undermined.

Parliament can no longer tolerate this situation, and I call on Mr Thorn and the other Members of the Commission to discipline its officials and its Legal Service to ensure that Parliament's political will is at last put into effect. We suspect that, in many cases, the Commission is incapable of imposing its will on its own bureaucracy, and we shall be keeping a close watch on this problem.

(Applause)

Mr President, ladies and gentlemen, it is virtually impossible to present this comprehensive report in a



**Irmer**

matter of a few minutes. There are just two or three specific points I should like to make in conclusion. Compliance with budgetary principles, and in particular the principles of annuality and specificity, is inadequate. We should like to take up a point made by the Court of Auditors and call on the Commission to draw up a clearer Community balance sheet in the future. It must be possible for the people and taxpayers of Europe — even if they have only little specialist knowledge — to be able to see from a balance sheet what are the assets, what are the liabilities and what is the Community's capital situation. To this end, it is high time we cleared up the stocktaking situation.

As regards own resources, we have included in the motion for a resolution confirmation of the principle that the budget must be implemented directly as soon as the President of the Parliament has declared the budgetary procedure to be closed. It is intolerable, and would undermine the foundations of the Community, if we were to accept that certain Member States — as happened in 1979 and is now unfortunately once again a highly topical matter — give expression to their contempt for the Community and Community legislation by simply failing to pay their dues. We demand that, in any such future cases, the Commission should levy interest on the Member States concerned on the grounds that waiving our interest claims would effectively reduce the Community's own resources.

As regards the EAGGF, I should like briefly to comment on the amendments tabled by Mr Ligios. We would ask you, Mr Ligios, to withdraw your amendments. What you are in effect doing is to give the impression that everything in the EAGGF garden was rosy in 1979. In fact, ladies and gentlemen, quite the reverse was true. It is true that stocks were successfully run down. In principle, that is a welcome development, but the running down of stocks is not an end in itself. What we have to ask ourselves is at what price this was done, and our committee has unfortunately come to the conclusion that there was in this sector an immense waste of European taxpayers' money because the Commission apparently failed to recognize in good time what was going on on the world market and to draw the necessary conclusions.

Another point I should like to make concerns the principle of annuality. Overspending on the 1979 budget amounted to 203.5 million EUA. Under budgetary legislation, there was no legal authority for this disbursement, and this too must be censured in the strongest possible terms. Unfortunately, we spent too much time in the committee discussing possible book-keeping repercussions. I shall skate over all that. The matter is effectively settled by way of the compromise proposals we shall be putting to you when it comes to the vote. These proposals result from the fact that the matter remained a subject of controversy between those concerned right up to the end. The point must be made, though, that no such unauthorized overspending must occur in the future.

Finally, I should like to remind you that it is essential for the discharge procedure to be taken seriously. Parliament sees this procedure as an essential means of fulfilling the mandate given to it by the voters for exercising a watchdog function *vis-à-vis* the other institutions, especially the Commission. Let me reiterate that the decisions contained in the motion for a resolution are binding, and we hereby call on the Commission to put them into effect. Over the coming year we shall keep a careful watch on the extent to which this is done, and let me say right now that, if the Commission fails to comply with these requirements, we shall draw the logical conclusions and do so with the utmost severity. We shall make the Commission politically fully responsible. The Commission should not forget that we have the means of refusing to grant a discharge. We are not recommending the House to do so in this case — we are recommending that a discharge be granted — but theoretically we have that right. As this House also has the power to dismiss the Commission should this prove necessary, the Commission would be well advised — and this is one of the essential lessons I have learned from 1979 — in pursuing its future policy to pay greater heed to the political will of the European Parliament and to refuse any longer to be an accessory to the inactivity and ineptitude of the Council of Ministers.

Ladies and gentlemen, we therefore recommend that discharge be granted, but we also urgently recommend the Commission to take our comments seriously and to put them into effect.

## IN THE CHAIR: MR VANDEWIELE

*Vice-President*

**President.** — Ladies and gentlemen, this remarkable report will go down in the history of our Parliament, since it draws attention once again to the new relationship which must develop with the Commission. I would therefore like to thank Mr Irmer and all the members of the Committee on Budgetary Control.

I call the rapporteur.

**Mr Kellett-Bowman, rapporteur.** — Yes, Mr President, this Parliament does owe a great debt of thanks to Mr Irmer. With the exception of the rapporteur for the budget, Parliament asks no higher standard of work from any Member, and Mr Irmer has carried out this task supremely well. He has fully lived up to the strong speech he made in the discharge debate last year. I am sure he would agree with me that the timetable for discharge makes life very difficult, and he has managed to scrape through right up to a meeting last night in order to prepare for this morning.

**Kellett-Bowman**

Now if Mr Irmer's procedure for his amendment is acceptable to the President, then we shall be withdrawing our amendments Nos 4, 5 and 6.

The background to today's work would be incomplete if we did not give consideration to the work which the Court of Auditors does for us. When giving Parliament new responsibilities in the sphere of expenditure control, the framers of the Treaty also put at Parliament's disposal the necessary audit organization. In its brief existence to date, the Court has done much valuable and painstaking work. Naturally, as Mr Irmer said, the Commission does not always consider that the findings of the Court of Auditors are acceptable. This is only human after all. However, the comments made by the Court of Auditors, though unpalatable at times, are well-founded and designed to bring about improvements.

I will now turn to the two reports that stand in my name. The first of these deals with the control aspects of the Joint Research Centre at Ispra. It is known as an 'own-initiative' report. In other words, the committee, in the light of reports from the Court of Auditors, deemed that a special report was necessary and the Bureau of Parliament granted this permission.

I should like to make it clear that the Committee on Budgetary Control concerns itself solely with accounting, control, auditing and value-for-money aspects. The committee did not intrude on the sphere of responsibility of the Committee on Energy and Research, because it is always careful to avoid duplicating the work of other committees. Further, I should like to mention that I also have the honour of being a substitute member of the Committee on Energy and Research, and I took care to keep that committee fully informed of all developments in relation to accounts at the JRC at Ispra.

If colleagues care to look through the motion for a resolution, they will see all the essential elements of the findings of the committee.

When a delegation from the committee consisting of the chairman, Mr Irmer and myself visited Ispra, we noticed that there were weaknesses in the inventory system. To speak frankly, this was not a discovery, because the Court of Auditors had already drawn attention to the fact: what was disturbing was the continuance of these shortcomings. There have been recent improvements, but we do not consider the situation to be satisfactory yet, and I have asked for further steps to be taken to set this right. In a large establishment such as that at Ispra, it is inevitable that certain stores, pieces of equipment and moveable property are disposed of from time to time. The committee insists that proper records be kept of all such sales or disposals and that the proceeds be accounted in a regular manner.

The major weakness at Ispra was the way in which over the years the use of a functional budget undermines strict adherence to the budget as adopted. There is a tendency among scientists and research staff generally to fix their sights firmly on objectives and to neglect sometimes the proper adherence to due financial accounting procedures. The financial management at Ispra was marked by a widespread use of transfers. The precise number of these is still a matter of dispute, but I have recorded that in the 1979 financial year there were in all 668 transfers if we take account of all sorts of movements effected in the management of Ispra funds. It is true that the great bulk of these was within the same objective and had the authorization of the financial regulation, while something like 29 transfers were between objectives. Nevertheless, if one looks at the number of transactions, one cannot but feel that they had the effect of distorting the figures envisaged at the outset of the financial year — that is, the figures that the budgetary authority approved when adopting the annual budget. In this situation there are many disadvantages, which are mentioned in paragraph 6 of the motion for a resolution.

The committee believes that middle management in the Community should be aware of the costs entailed by projects under their charge. If they have this information, they are better able to appreciate the full amount of outlay for which they are responsible. When the delegation visited Ispra, it found in the course of discussions with managers that the presentation of figures did not enable them to have a complete overall view of the costs resulting from the management of the operations. Obviously, it is in everybody's interests that this be set right.

One of the thorny problems discussed with the committee was the construction of an administrative building at Ispra. The delegation was perturbed by the manner in which the funds for this operation were assembled without clear budgetary approval. The committee found it rather difficult to accept the explanations given by the financial controller and the responsible Member of the Commission. However, it was appreciated that these gentlemen acted with a view to protecting the subordinate officials who initialled various documents. We look forward to hearing from the Commission today how they think it was possible for this building to be erected legally.

An issue to which both the Committee on Budgetary Control and the Committee on Energy and Research have devoted a lot of attention has been the matter of staff mobility. As this part of the committee's findings are set out in full in paragraphs 19 to 22 of the explanatory statement and paragraphs 10 to 12 of the motion for a resolution, I do not propose to go into them at this juncture. However, I believe it would be appropriate to return to this matter in the course of a later report.

**Kellett-Bowman**

As far as possible, the principle of efficiency should be a prime criterion in the running of the Joint Research Centre. The fullest use should be made of cost benefit analysis techniques, dead-end lines of research should be abandoned, resources should be switched to promising lines of research and regard should be had as far as possible to the securing of worthwhile results.

If Parliament is to form a clear political judgment on the use made of appropriations at the JRC, the presentation of the budget for these establishments must have greater transparency. I hope that in the course of the 1982 budgetary preparations stress will be laid on this. It is easier to ensure the regularity, transparency, legality and good management of Community funds if the budgetary presentation is clear and adequate. This has not been the case so far.

The lack of respect with which the initial estimates have been treated during the course of the financial year has not made the task of control any easier.

I am happier to say, however, Mr President, that the new member of the Commission responsible, Viscount Davignon, has gone a long way already to set the minds of parliamentarians at ease as regards the adherence to proper procedures. The Director-General responsible for this area has been very positive in his approach, and I am happy to say that since the visit of the delegation from the committee last November reforms have been effected already. A tribute is paid to this positive action in paragraph 17 of the motion, because whilst we deplore any shortcomings in financial management we are equally concerned with the prosecution of an effective research policy.

Colleagues will observe the reference in paragraph 18 to the data-processing facilities at Ispra. As rapporteur, I was impressed by their efficiency, and I hope that the lessons to be learnt there will be translated into the Commission's data-processing, to which I shall refer later. Indeed, the Committee on Budgetary Control went so far as to suggest that in the general sharing of access to equipment Parliament might be able to avail itself of some of the statistical capacity at Ispra.

The delegation was surprised to observe that a vehicle fleet of 180 was in existence at Ispra. I am happy to be able to report that already the management of that establishment has pruned back the number of vehicles by one-third.

As colleagues will have gathered, there are still a number of loose ends to be tied up at Ispra. Therefore I think it is appropriate that the committee should be permitted to present a further report in the not-too-distant future so as to establish whether or not everything is in order.

I now turn to my second report, on data-processing. If Europe as an entity is to function smoothly, if the Community institutions are to carry out their roles

under the Treaties efficiently and if the Parliament is to fulfil its control obligations effectively, then the Community data-processing service must operate satisfactorily. These considerations were in the minds of the committee when permission was sought to prepare an 'own-initiative' report on data-processing.

Last July, this House considered the interim report: I am now presenting the definitive report, and this covers the main budgetary-control aspects and criteria, notably effectiveness and quality of management.

It is true there were delays, inefficiencies and inconveniences in effecting the changeover from one system of equipment to another, which entailed a complete change in compatibility. However, it should be borne in mind that the changeover was the largest ever experienced in the world. The new equipment is of European manufacture: this is something which is of major industrial significance because of the advanced technology involved and because it entails cooperation between the advanced technological sectors of several European countries.

As I point out in the explanatory statement, the development of an efficient and coordinated data-processing service within the institutions is of the utmost importance if management is to be ensured.

We need to know quickly and accurately details of trade patterns, statistics for regional, social, agricultural, industrial and budgetary matters. We also need to be able to monitor developments in the steel and textile sectors. It is essential if the Community is to comprehend fully current trends and react effectively to them.

However, we do not want any overlapping of services or wasteful use of equipment. We do not want several sets of officials and machines duplicating work. Every one of us would like to see this modern sector, this 20th-century administrative instrument, functioning smoothly and efficiently.

We all know of cases of overlapping; we all know, too, that nobody can tell us the exact total cost to the Community budget of the data-processing centre effort. Clearly, far greater transparency is required.

We should be objective in our attitude towards cooperation. Interinstitutional discussions are under way so as to make for better cooperation.

The committee felt that an agency is required to coordinate the work of the hundreds of Community experts and the vast and expensive range of equipment in the possession of the institutions.

The technology is moving so fast. It is still called the *Centre de Calcul*; I call it the Data-processing Centre, but within a very short time it will be the centre of communication as well as of calculation within the Community.

**Kellett-Bowman**

One possible budgetary solution would be that within the budget of the Community the Centre had its own budget for fixed costs while its variable costs could be charged to the user institutions. This would be much more transparent.

At the meeting of the committee held on 17, 18 and 19 March, we discussed these matters with Members of the Commission responsible for data-processing; in particular, we went into the details of paragraphs 5, 6 and 7 of the motion for a resolution. The committee was very pleased with the positive and helpful attitude of the Commission, and we look forward to a useful report from the Commission in the autumn. It is my belief, Mr President, that it would be unwise for institutions to undertake any expensive acquisition of equipment until that report has come from the Commission.

The two reports I have presented, Mr President, deal with important aspects of Community activity. The matters at issue are of vital significance for the future of Europe: research and data-processing. I hope that the committee's work will lead to improved management of the funds involved.

With these words, Mr President, I commend the two reports.

**President.** — I call the rapporteur.

**Mr Gabert, rapporteur.** — (DE) Mr President, ladies and gentlemen, the Committee on Budgetary Control has investigated the so-called 'Como butter affair' and studied the judgment of the European Court of Justice of 10 January 1980. There can be no doubt whatsoever that this was a case of fraud inasmuch as a considerable amount of butter was imported into the Community from Eastern Europe accompanied by falsified documents in order to avoid the payment of import levies. The same butter had previously been exported from the Community in connection with the payment of substantial export refunds.

The Committee has investigated to what extent the use of T-1 and T-2 transit documents — as used in Community trade — are capable of preventing fraudulent dealing with intent to avoid payment of Community levies. The Committee also wished to ensure that the Commission was not hindered in the exercise of its allotted control function by any opposition from national authorities. It was, after all, this kind of hindrance which prompted the Commission to have recourse to the European Court of Justice. The Commission received information in April 1976 to the effect that fraudulent transactions had been carried out, involving more than 6 000 tonnes of butter from Eastern European countries. The butter in question was imported into Italy via Rotterdam and Roubaix accompanied by falsified transit documents. In June

1976 the Commission asked Italy to effect a further control in which it wished to be associated. Throughout 1977, the Italian administrative authorities refused to allow the Commission's financial control services to take part in the investigation.

Thereupon, the Commission, on 19 January 1978, took the steps laid down in Article 169 of the EEC Treaty for the commencement of proceedings against Italy for failure to act. Italy justified its refusal to supply the further information requested by the Commission on the grounds that the Commission could only be associated with measures of control after the establishment of the Community's claim against the person owing an own resource. The European Court of Justice found that the Italian Government was required to cooperate with the Commission as far as it was legally able and that it should pass on the information requested once the confidentiality of the preliminary enquiries had been lifted.

Community provisions giving the Commission a right to be associated with measures of control did not entitle the Commission itself to carry out controls, although the Commission's powers of control over the establishment and making available of own resources came into being on the occurrence of an event giving rise to own resources (in the present case crossing the border) and not from the time when the competent national body had established the own resource.

Despite the fact that the application was dismissed, the Court's judgment was highly significant inasmuch as the Court decided in favour of the Commission on a controversial question of principle. It is now settled that the Commission's powers of control arise as soon as the event giving rise to an own resource occurs. The judgment goes on to say that the additional control measures that the Commission may ask the national administrations to carry out include all those which the national legislation allows.

Mr President, the task of the Commission is to guarantee that the operations for the establishment, collection, making available and control of own resources are carried out in a proper, fair and uniform manner in all the Member States. Previously, the notion of a right to be associated with measures of control was sufficient. To call into question that principle and that notion is a highly political matter closely concerning Parliament in so far as it considers itself to have a special responsibility towards the people and taxpayers of the Community for budgetary matters. In its motion for a resolution, the Committee on Budgetary Control urges the Council quickly to adopt the regulation on mutual assistance in customs and agricultural matters and the regulation on measures to be taken in the event of irregularities affecting own resources.

The Commission presented the proposal for the first regulation as long ago as 25 April 1973 and forwarded the proposal for the second regulation to the Council

**Gabert**

on 19 March 1979. It is high time that the Council took a decision on both matters in the interest of the Community. The Committee calls on the European Court of Auditors to use the powers conferred on it by the Treaties and the Financial Regulation, bearing in mind that these powers are not limited by the judgment of the Court of Justice, to do all it can in liaison with national control bodies in order to enable the competent Community institutions to be informed in good time of deficiencies in the system and to react as soon as possible. The Committee also asks the Commission to consider under what circumstances it might propose a regulation which would enable it in exceptional cases to conduct independent investigations in the Member States.

Mr President, ladies and gentlemen, as you can see, this is a highly important question in the interests of the people of the Community, and I would therefore ask you to give this report your support.

**President.** — I call the rapporteur.

**Mr Dankert, rapporteur.** — (NL) Mr President, I should like to keep a few minutes of my speaking time in reserve so that I can reply to what the Commission has to say about the contents of the report on the ninth financial report on the Guarantee Section of the EAGGF, a report which concurs almost word for word with what I take to be the serious criticism voiced by the European Court of Auditors on management of the agricultural sector in 1979. I have never come across such a thing before in a national parliament. We have only to take a look at what happened in the management of the agricultural sector in 1979 and at the fact that all the elements are simply listed consecutively rather than on opposing sides of the balance sheet. We had a supplementary budget amounting to some 800 million EUA, a figure which, however, gave a misleading impression in that actual expenditure was reduced by the amount of incoming funds. In fact, the appropriations allocated were exceeded to a much greater extent. Mr Irmer just made the point that the budget was exceeded by some 200 million EUA, a fact which has brought up the whole problem of the principle of annuality of the budget, a problem which concerns us in this House rather more, but which also brings out the fact that the Financial Regulation and the multitude of regulations which should control this whole process effectively work against each other to such an extent that this kind of accident is possible at all.

I am not saying that the Commission's behaviour was criminal, but what I am saying is that the jumble of regulations and provisions make it possible for certain interpretations to be drawn and for this kind of overspending to occur. We might just as well interpret the facts as indicating that the Commission has earned a serious reprimand by virtue of its overspending, but

the fact is that the Commission's legal position is defensible. The point I am trying to make is just that entirely different interpretations are perfectly conceivable. This is due to the fact that the Financial Regulations and all the attendant regulations make this kind of thing possible.

Then we have the problem of management of the market, and here the Court of Auditors has found that there was a substantial amount of unnecessary overspending, especially in the skimmed-milk powder sector. The precise amount is open to discussion, and will probably never be known, but here too, we can be sure that a few hundred million units of account are involved.

What the report scarcely touches on at all, because they only came to light at a later stage, are certain fraudulent transactions on an enormous scale in the tomato puree and olive oil sectors, again in 1979.

These frauds have cost the Community hundreds of millions of units of account. Taken together, all these little matters from the agricultural sector in 1979 point to the fact that all necessary steps must be taken in this field.

I should like to make the point, though, that I get the impression that the Commission has learnt a lot since 1979. Ever since then we have had a more rigorous management of markets and we have seen a more serious attempt made to come up with accurate estimates and to get a grip on what is going on. And that is in itself proof — albeit perhaps *a contrario* proof — that the existence of the Court of Auditors is in itself a good thing. Moreover, by subsequently backing up the criticism voiced by this House in 1979 with special reference to the milk powder sector, the Court of Auditors has had a particularly significant role to play, and in this respect I should like to underline what Mr Irmer said just now.

Mr President, as I said earlier, it is impossible in such a short allocation of speaking time to go into this problem fully because it would be irresponsible to aim accusations at the Commission in a few sentences. These are things which have to be carefully justified. For that reason, I have confined myself in the main to a single point of criticism. It is my belief that the full facts should be stated in the report and not in the introduction, and that is all I wish to say for the time being.

**President.** — I call the Commission.

**Mr Tugendhat, Vice-President of the Commission.** — Mr President, we are, of course, very conscious of the fact that the debate has been reduced a great deal in time and that we are not able therefore to go into some of the questions as much as we would like,

### Tugendhat

though I will attempt to take up in particular the ones on agricultural management. Normally I would have dealt, as the House knows, with the budgetary points and Mr Dalsager would have dealt with questions relating to agricultural management, but in his unfortunate absence owing to illness, an illness from which I am happy to say he is now staging a speedy recovery, I am dealing with the agricultural points as well. My colleague, Mr Davignon, is however here and he will deal with a number of the points, particularly those referred to by Mr Kellett-Bowman.

As Mr Irmer said in his introductory speech, this is an important parliamentary occasion because Parliament's power over the discharge is a power which belongs uniquely to Parliament. It isn't a power that is shared with anyone else and it gives Parliament an opportunity not only to make proposals, which is what Parliament normally does, and to press its ideas upon the Commission or indeed the Council, which again is what Parliament usually does, but also to monitor what has been done and to pass judgment on it, to point to areas where it thinks there is a weakness, to point to areas where it thinks there has been an improvement. It is a matter of regret to me — I know that Mr Aigner and other people who are active in this field in Parliament share my regret — that these problems are not always treated with the attention and given the time accorded to some other matters which are perhaps less central to Parliament's particular prerogatives. On that point at any rate, Mr President, we are very much in agreement.

Now the debate has been and no doubt will be very far-reaching. We have before us not only Mr Irmer's report but several others which are to varying degrees related to the 1979 discharge. All of them raise important problems, but it is the Irmer report which on this occasion raises the principal issues that are central both to Parliament and to the Commission. It is therefore on this report that I will primarily focus.

The basis for Mr Irmer's report is the annual report of the Court of Auditors. The rapporteur, and indeed Mr Aigner, have rightly emphasized the usefulness of the Court's report. I subscribe to the thanks offered in the first paragraph of the resolution to the Court of Auditors, although I must at the outset of my speech mention our reservations on the subject of the remarks which the Court of Auditors adds to our replies at the last moment. A method of resolving this difference of views will be sought within the framework of the revision of the financial regulation, which is currently in hand.

Because it is the function of the Court of Auditors to point to what could be improved or put right rather than to what is working satisfactorily, its annual report for 1979 does not spare the criticisms. It is, however, essential to recognize that many of these criticisms, for example, in paragraph 5 of the resolution which speaks of 'excessive and sometimes improper use'

being made of transferring appropriations from line to line and year to year, are addressed not simply to the Commission but also to Parliament itself, and indeed to other institutions which are at present unfortunately, as is so often the case, absent from our proceedings today. The Treaty nevertheless requires the discharge to be given to the Commission alone in view of its special responsibilities for the implementation of the budget, and that is why we, of course, have to answer. I think it is important, however, to remember that the Court's remarks in this respect and indeed in some others go wider than simply the Commission. I should perhaps also mention that the Council has transmitted to Parliament for the first time a detailed recommendation. In the resolution proposed by Mr Irmer this recommendation is frequently departed from, particularly in those areas where Mr Irmer is most critical of the Commission itself.

Mr President, after those few introductory remarks, I turn to Mr Irmer's resolution. A general appraisal of it leads me to draw a few overall conclusions. First, the conclusion reached by the Committee on Budgetary Control where it notes with satisfaction that the work of the Commission and its staff in 1979 has yielded positive results and contributed to the continued development of the Community towards its common objectives. It is thus clearly your intention to show that when looking at a budgetary expenditure of some 14 500 million units of account — now of course called ECU — and even including specific criticisms that have been made, the committee's assessment of the Commission and its services is, in 1979, a positive one. That conclusion is of great importance not just for the Commission but for the Community as a whole.

My second overall conclusion is that relative to earlier years, our actions have shown further improvement. Mr Dankert was kind enough to make that point. Indeed, several paragraphs emphasize that the Commission's actions have considerably improved. Questions of importance are involved as, for example, in paragraph 21 where the principle of budgetary annuality arises. The rapporteur notes with satisfaction the increased rate of utilization in certain sectors. I can also mention in this connection that a further improvement became apparent at the end of 1980 and that the Commission has not, for its part of the budget, requested any carry-overs of a non-automatic nature from 1980 to 1981. I do, however, note that the Court of Auditors has requested such carry-overs for its own budget. The Court of Auditors — not us, not you, but the Court of Auditors has actually requested the carry-overs which are criticized when we do it and, in particular, it has done so for mission expenses, travel expenses and incidental expenditure.

Now, on several points, Mr President, a former criticism has now been replaced by the observation that sustained efforts are being made and that they have, in 1979, led to successes. The Court of Auditors also

## Tugendhat

identified sectors where progress was being made, for example that of the Commission's accounts. Further improvements are in the process of being made and I concern myself with them in close liaison with the Court. I mention this point because Mr Battersby was especially interested in it last year; as he raised this point last year, it seemed to me right that I should draw attention to it on this occasion.

Mr President, I now turn to three groups of questions: budget management, agricultural management and the legal base for expenditure. The first two — budget management and agricultural management. Well now, following a majority vote the Committee on Budgetary Control has put into the draft resolutions some robust passages expressing very plainly harsh criticisms of agricultural management in 1979. Mr Dalsager intended to reply to these criticisms and would have done so very vigorously, as I said at the outset, but in his absence I, of course, will do so, and therefore my speech will be somewhat longer than might otherwise have been the case.

The budget point in the context of this debate, however, can be rather shortened. It concerns the so-called overspending of 203.5 million units of account of EAGGF guarantee appropriations in 1979. Parliament has already concerned itself at length with this issue in plenary session and within its Committee on Budgets and so I have already had the opportunity in April last year of explaining what happened and what the Commission thought it ought to do. Since then, Parliament's report has been brought into line with the Commission's approach and therefore I think it is not necessary for me to go into the matter in great detail now, though clearly if the House wishes me to make another intervention on this point, I would be prepared to do so.

I should, however, like to make clear that like Parliament, the Commission has been extremely concerned that everything should be done to improve the system of advances in such a way as to avoid in future the kind of events associated with the 203.5 million. I have made it quite clear, as members of the Budgetary Control Committee very well know, that we take the matter seriously, we do not ever want to see a repetition of it, and I am happy to have the opportunity to give the same undertakings in plenary session. Extremely stringent directives were issued by Mr Gundelach before his death, as well as by myself, and every effort will be made to continue to ensure that incidents of this sort are not repeated. Moreover, paragraph 35 of the draft resolution notes with satisfaction that the Commission's endeavours henceforward will take full account of the principle of annuality — a point which I have already referred to.

Now, on the second group of problems, the ones related to agricultural management, I must, I am afraid, Mr President, go into rather greater detail — I had intended to do so in any case, but in the light of

Mr Dankert's remarks a few moments ago, it clearly is necessary for me to do so — because we believe that on some points the Court of Auditors is wrong, and that our method of approach has been better, and I will seek to convince the House of that point of view.

Now, in this, of course, I will be dealing both with Mr Irmer's report and with Mr Dankert's draft resolution on the financial report on the Guarantee Section for 1979. I would like, if I may, to begin by recalling the Commission's views, and to recall that in the past the common agricultural policy has been criticized for having in intervention the so-called 'mountains' of skimmed-milk powder. But normally the common agricultural policy has been criticized for the surpluses and for the extravagance and I think that is the point from which we must depart.

Now for some years the stock of skimmed-milk powder was around one million tonnes which, when you consider that our annual exports are around ½ million tonnes, represents over two years' export trade. The Commission is a significant exporter of milk powder to world markets. Because of this, it is clear that such a large stock for export had — and I use the past tense — a depressing effect on world markets. But what happened in 1979, the year to which this discharge refers? I would like to tell you. There was a relative stagnation in the rate of increase of production of skimmed-milk powder. There was an increase in the uptake of skimmed-milk powder for feed to calves, within the Community.

Thanks to these events it was possible to reduce intervention stocks to much more reasonable levels of around 200 000 tonnes, and the world market price hardened. Indeed, from the end of 1979 world market prices had increased rapidly. This fact alone made it possible to reduce by half the level of the Community's export refunds, but at the same time to keep those exports buoyant. The figures, I think, are quite telling. Just one year ago, export refunds for skimmed-milk powder cost over 80 ECU per 100 kilos. Whereas since January of this year they have been at 37 ECU per 100 kilos. Because of this reduction, it was possible to save around 180 million ECU in this sector in 1980. And further savings are being made this year.

The Court of Auditors, Mr President, criticized the Commission and suggested that we should have reduced our export refunds earlier, and also reduce the level of aids for internal use. The Court of Auditors considers that, on the basis of the market situation in 1980, 185 million ECU could have been saved. The draft resolution retains this idea by declaring that the Commission was unable to dispose of surpluses under optimal financial conditions, and that a substantial financial loss was thereby incurred by the Community. Mr President, I have to say that the Commission believes that, if the Community had followed the policy suggested by the Court of Auditors, stocks would have been reduced by less than they were and

### Tugendhat

could well have been around half a million tonnes at the beginning of 1980. Had this happened, the world market price would have remained much lower than it did, which would have required a correspondingly higher level of export refunds to have been paid. The Commission therefore believes that, had the policy suggested by the Court been followed, it might have been possible, I grant that, to save money in 1979, but it would undoubtedly have cost much more money in 1980 and 1981. And I think it is the overall picture — 1979, 1980 and 1981 — that needs to be borne in mind. Consequently, I would recommend Parliament not to adopt paragraph 38 of the draft resolution which, in the Commission's view, expresses unfounded criticism.

Concerning the export system which is dealt with in paragraph 39 of the draft resolution, I think it is important to realize the reality of the world market and the way in which it actually operates. Were we to remove the instruments that allow our exporters to sell on world markets, this would not only obviously adversely affect traders, but would have a very serious impact on farmers throughout the Community. The Community must export part of its production, if it is to have a healthy agriculture. This is a point of view to which I know Parliament subscribes.

The Commission is of course fully conscious of the need to use its export instruments in an economical manner. To help achieve this, it has introduced certain changes. For example it has shortened the interval between the time when prefixation may be requested, and that of export. For certain products it has introduced a system of granting prefixations subject to a period of reflection, which allows prefixing to be refused should market movements justify this. We have also introduced a tendering system for export refunds in several sectors and have also proposed its introduction to the dairy sector. Consequently, Mr President, the Commission cannot accept paragraph 40 of the draft resolution, where it is criticized for apparently neglecting the political and financial interests of the Community in the area of refunds and prefixing. Here I would say that the Court of Auditors has only criticized the skimmed-milk powder sector, and it is here that the Commission absolutely rejects the criticism.

Indeed, in the preparatory work for this debate no details of this criticism were given. Consequently, in the absence of any evidence it is impossible for the Commission to accept this particular criticism.

I now come to paragraph 41 of the motion, which deals with exports of agricultural products, particularly to the State-trading countries. And here I would like, if I may, to say one or two things. First, the Commission took a series of measures during the period of application of limitations on exports to the Soviet Union, which included the differentiation of refunds according to destination, full payment of the

refund only after proof of destination had been given and for certain products, and the introduction of a five-day period of reflection for accepting prefixation. Secondly, now that the limitations on exports to the Soviet Union have been removed, except for the time being for milk products, the Commission will examine the possibility of finding some means of programming and controlling our flow of exports of butter fat.

In the longer term though, a negotiated agreement or understanding with the State-trading authority will be necessary.

Paragraph 42 of the motion calls on the Commission to make every effort to put an end to the uneconomic use of appropriations of the kind observed in milk products, beef and veal and indeed in the fruit and vegetable sector as well. All I can say here is that the Commission will continue to strive for the efficient use of all funds, as indeed it indicated on Tuesday in the debate on the Plumb report, and we look to the Parliament to support us in these efforts. I would make the same observation in relation to paragraph 43.

I would like to conclude my observations on the agricultural sector. I accept that in certain respects our financial and management procedures can and must be improved; I do, however, strongly reject some of the extreme criticisms made of the Commission's management. I must point out that it is very easy after the event to say that export restitutions or aid for such and such a product should have been adjusted at a different time or by a larger amount. It is easy, and if all of us could look back over our investments on the stock exchange or in other matters, I dare say we should all of us be a lot richer than we are now; but, unfortunately, the decisions which one has to take at the time do not always seem quite so wise in hindsight, and the House must realize that the Commission takes its decisions at a time when by definition it cannot have the benefit of the sort of hindsight which is available to those who report after the event. It is right for those who report after the event to criticize, but they must, I think, bear in mind the circumstances in which the decisions were actually made.

I now leave agriculture and turn to the question of the legal basis for the utilization of appropriations where I am delighted to see that the positions of our two institutions have become very much closer. I would cite as evidence the resolution which you adopted in December 1980, acting on Mr Adonnino's report, where Parliament recognized that the budget provides an adequate legal basis for the implementation of appropriations but recognizes that in the case of new and far-reaching policies requiring the adoption of detailed regulations, the implementation of appropriations should be subject to the adoption during the financial year of the necessary Commission proposals and Council decisions. In essence, the Commission is saying the same thing when it declares, as I have had occasion to do repeatedly before this Parliament, that



## Tugendhat

the budget constitutes a basis which is a necessary but not in itself sufficient basis for the implementation of appropriations, except, of course, in the case of *actions ponctuelles* of limited scope.

In the resolution which you adopted on 10 April this year, the initiative of the Committee on Budgets and its four rapporteurs, Mr Adonnino, Mr Ansquer, Mr Dankert and Mr Jackson, you included this question of the legal basis among the problems to be examined as a matter of priority within the framework of the inter-institutional dialogue. The Commission welcomes this, since this initiative corresponds exactly to the idea of overall conciliation which we have been advocating for a long time. That is the appropriate framework for such negotiations between the institutions. I can confirm that within this framework the Commission will make every effort to reach a balanced, lasting solution to the problem, and, indeed, President Thorn himself assured you of this last February in a number of remarks which, I know, were extremely well received in the House at that time.

All this means that the present drafting of paragraph 15 of the motion which now lies before you is, I think an unhappy one. The text which demands that the Commission should unequivocally recognize the budget as the legal basis for the utilization of appropriations departs from and goes beyond the resolutions to which I have already referred and which were passed by Parliament itself in 1980. Moreover, in paragraph 16 implicit recognition appears to be given that some appropriations may only be utilized after the adoption of additional legal provisions. As for the Commission, it would like to confirm once again its favourable attitude to seeking the resolution of the matter in the manner that I have explained, and I hope very much that we can move towards a situation where this matter can be put behind us.

Now, Mr President, I have dealt with the major issues in this resolution, but there are a number of other points I have to make. I am sorry my speech is so long, but these are important points and if we do not get our answers on the record, then Parliament will return to the matters later on and ask why we did not answer at the time.

One of the points I want to deal with concerns development aid, which always arouses great interest in the discharge procedure. The House will be pleased to hear that the Commission has gradually reduced the backlog in the implementation of food-aid programmes of previous years, which shows, incidentally, that delays in the implementation of annual programmes can be remedied and that the introduction of dissociated appropriations could do more to disguise the problem than to solve it.

On non-ACP aid, I would point out that if the requirements in payment appropriations were slightly overestimated a few years ago, commitment appro-

priations have always been used in full. As a consequence, the policy objectives which are contained in the annual programmes have never yet been in jeopardy.

As far as the European Development Fund is concerned, it is gratifying for the Commission to note that its efforts to assess the efficiency of Community aid through on-the-spot controls and evaluation reports are now highlighted in a parliamentary resolution.

As for Parliament's wish to receive a clear breakdown of annual commitments and accounts per year, the Commission will see to it that its accounting system is adapted in accordance with Parliament's wishes.

Another point I must mention concerns disciplinary action, mentioned in paragraph 67, which is an important one. The institutions are asked to provide Parliament with regular reports on disciplinary action. In the Commission's opinion, this request, if acceded to, would prejudice the fundamental rights of defence of the individual and ignore the principle of the presumption of innocence until proof to the contrary has been provided. Consequently, the Commission can only give to Parliament information after decisions have been taken and on a confidential basis.

I said earlier that Mr Davignon would be dealing with the points relating to Ispra — some of these have already been mentioned by Mr Kellett-Bowman, such as the construction of the Ispra building and so forth — and in view of his presence here I think it would be easier if I left the whole of that section to him.

Mr Gabert, however, does, I think, require an answer. He has prepared a valuable contribution on the Commission's powers of control of the Community's own resources after the Court of Justice's decision on the 'Como butter' case. He rightly recognizes that under current legal provisions it is primarily the Member States themselves who have the responsibility for control, with the Commission being able to be associated with national controls. But the Commission, I would like to tell him, is keen to use its limited powers to the full, and I welcome his suggestions for possible improvements. In this connection, I should point out that our proposal on irregularities has not, I fear, progressed in the Council, but the Commission will do its best to ensure that improvements are made in this area. We expect to send to Parliament before the summer break a report on the operation of Regulation 2891, which should cover most of the points to which he has referred.

I had intended to deal with some of the points made by Mr Kellett-Bowman in his report on the Commission's data-processing centre, but again, in order that Parliament should have a variety of voices and perhaps even a variety of languages, I think it would be a good idea to leave that point too to Mr Davignon, who, of

### Tugendhat

course, heard what Mr Kellett-Bowman was saying earlier this morning.

That brings me very near to my conclusion. I need only refer now, though he has not yet spoken, to Mr Ligios, and here I would like to say that the Commission strongly supports the general thrust of what he has to say. I welcome, too, the spirit of Mr Fanton's Amendments Nos 7, 8 and 9, although they would be superfluous, particularly Nos 7 and 8, if Mr Ligios' amendments were adopted.

There are a number of amendments tabled on Mr Dankert's report. For the sake of brevity and without going into details, I will simply say, especially as I see him in his place, that the Commission accepts all the amendments put forward by Mr Clinton on behalf of the Committee on Agriculture, but for various reasons those of Mr Battersby pose certain problems which make it difficult for the Commission to follow him.

Finally, Mr President, I would like to say that the Commission will examine all the various other remarks that I have not been in a position to touch upon. If points arise in the debate, I will seek to reply subsequently to Members or by letter. Once again, Mr President, I wish to thank the Parliament for the effort it has made to cover such a wide field and for the very constructive spirit in which so many of the points have been put forward.

**President.** — I call the Committee on Agriculture.

**Mr Clinton, draftsman of an opinion.** — Mr President, I regret that it was not possible for me to be here earlier this morning for the greater part of this debate. What I heard from Commissioner Tugendhat was indeed very interesting, and I am sorry I did not hear everything he had to say.

I can be brief in my comments on Mr Dankert's report. As we know, it relates to expenditure under the Guidance and Guarantee Fund for 1979. What happened then is now almost history, but it does give Parliament an opportunity to express its views on the working of the common agricultural policy in 1979. It will be recalled — and I think I heard Mr Tugendhat referring to stocks — that that was the year when the Commission started to look very seriously at the size of intervention stocks and at the cost to the Community of intervention stocks, and at too high levels, often for long periods. Until then it seemed to me to be almost deliberate policy on the part of the Commission to ensure that stocks were at their highest at price-fixing time, so as to impress the Council with the extent of the over-production in certain commodities. Perhaps this is not being completely fair to the Commission, because I am aware that they were suffering from a number of constraints and I hold the view that there is still too much interference on the

part of both Parliament and the Council, particularly in relation to the destination of these exports.

I think it must be accepted that storage of stocks over long periods, the deterioration of products in storage and failure for political or other reasons to seize the opportunity for getting the best prices all combine to exaggerate the cost to the Community of the disposal of surpluses. I hope that it will in future be accepted by Parliament and indeed by the Council that if the Commission is to do an effective export job, if it is to do an effective management job in relation to surpluses and stocks, it must be given a free hand. We have got to depend on the Commission. No three institutions of the Community can do the one job at the same time. The Commission must be given considerable freedom in this. If they are, I am satisfied that the costs of the disposal of surpluses will be very much lower than they are at the present time.

I also want to say that if the Community is to have a sufficiency of all the products it needs for its own use, it must have surpluses. It must have surpluses because of the vagaries of weather conditions. One year you might have a very serious drought and the next year you might have trouble from excessive rainfall, or you might have a bumper year. I think that a lot of the criticisms levelled at the Commission aren't really fair. That includes the criticisms about the overall cost of the common agricultural policy and about surpluses, because, as I say, it is essential to have surpluses. That is the only way we can guarantee security of supply for the people in the Community at all times. When we have regard to the fact that in 1979 the overall cost of the Guarantee Section was 0.48% of the Community's GDP, I think we have very little to complain about, more especially when we know that the present situation is that national aids to the tune of 60% are being paid to the agricultural industry by the Member States. I think that this is extremely regrettable, and I think also that the Commission should have made some reference to this and to the very strict action that they are going to take in the future in relation to these national aids, because not only do they upset competition but they also enable producers to produce more surpluses of certain commodities that are already over-supplied.

The Committee on Agriculture has put down a number of amendments which I hope will be accepted, and I was pleased indeed to hear Commissioner Tugendhat say that he could accept these amendments. They are not a matter of criticism; they are emphasizing the fact that a bigger percentage of the expenditure of the Fund should be channelled into the less-favoured areas and that more of the total funds should be spent on the Guidance Section rather than the Guarantee Section. I think everybody in the Committee on Agriculture agrees with this.

The Committee is also concerned about the fact that there are big delays in payments to two countries, Italy

**Clinton**

and Ireland, owing to administrative delays in the two countries concerned, and I think that pressure should be put on to improve the administration. These countries have handicaps enough without being held up by inefficient administration in relation to payments. Besides, when payments are not claimed it upsets the calculations of the Commission on expenditure in any particular year. The Committee on Agriculture is not particularly concerned about the book-keeping, but it is concerned about the effects of matters of this kind on the agricultural sector as a whole.

I think I have said most of what I wanted to say. We have had a good deal of discussion on the common agricultural policy this week and the direction which it is taking and which we would all like to see it taking, and I think it is unnecessary to hold up the House any further at this particular stage.

IN THE CHAIR: MR BRUNO FRIEDRICH

*Vice-President*

**President.** — I call the Socialist Group.

**Mr Key.** — Mr President, may I extend my thanks to Mr Irmer, and all the other rapporteurs, for the work they have done on the discharge of this budget. In reviewing this charge, the Socialist Group have not adopted a pure statistical approach, and just checked the figures. I was very interested to see how selective, as usual, Mr Tugendhat was in answering some of the very specific points and then avoiding, very generally, some of the others. I know Mr Tugendhat has tried to answer us specifically on many of the things and obviously we will wish to come back to him during the course of the original budget, and we have endeavoured to see how and why the Community policies and the allocation of funds have, or have not, been implemented.

This is a vital task for the Parliament because it does not only help us analyse what has happened, but it also gives us guidance when we come to discuss future budgets in this House. The discharge, as many colleagues have already said, is one of Parliament's few legislative powers and should be treated with corresponding seriousness. Now, on the basis of those principles I have certain observations on behalf of my group.

The first is on revenue. My colleague, Mr Gabert, has clearly revealed that owing to staff inadequacies and ill-designed procedures, tax evasion and fraud can go undetected inside this Community and without an improvement in the revenue system, and more real efforts by the Commission to check the correctness of

the national estimates and delivered figures on the VAT assessment basis, the financial autonomy of the Community will continue to be highly questionable. I would just like to make one or two suggestions to the Commissioner, and I know he has heard them before: I think we have really got to put some serious effort into minimizing evasion and fraud inside this Community. It does not mean just the Commission doing it, it also means national governments and local administrations being involved as well.

The second area that concerns me is what we generally call inside the United Kingdom 'the black economy', where people do not declare what they earn. This obviously diminishes the VAT return to this Community and because of this evasion, the European Community is losing out on its 1% VAT base. We cannot afford these losses because we as socialists, on this side of the House, see the necessity for a very positive economic, social and regional programme and policy. And even if we do succeed later this year in restructuring the budget, we will still be constrained by the problems of this 1% VAT base and the problems of not getting the full amount for it.

Our second criticism and our second point is that we strongly deplore the inadequate use of appropriations by the Commission in sectors in which the Parliament has emphasized in its budget debates and votes something very specific. The Commission is responsible for the implementation of the budget and it is a waste of time for the Parliament to discuss and to decide particular subjects if the amendments to which the Parliament agreed are not executed by the Commission. This problem is very important for democratic socialists and if there is no improvement, this could be a reason for refusing a discharge in the future.

In order to strengthen the influence of the Commission, we also want more transparency of the responsibility of the management advisory committees operating within this Community. They can obviously help the Commission and the Parliament by giving information but the Parliament cannot agree that the influence of national governments and the Council should be increased by the fact that these committees in practice take over the responsibilities of the Commission.

My third point is on the decentralized agencies. My colleague, Mr Kellett-Bowman, has revealed a very serious lack of control by the Commission and inadequate control procedures which have led to the inefficient use of Community funds by the agencies, and much waste. For example, at Ispra we have accepted the need to reorganize the financial management of all that area. There were two reports — both Mr Price and Mr Kellett-Bowman dealt with Ispra — and these reaffirmed our worst fears of mismanagement, the unauthorized building of an administrative block, mismanagement of staff and payments and inadequate accounting and stock-taking methods applied there. One can only hope, again, that all the recommenda-

## Key

tions of the European Parliament contained in the discharge and the other reports are quickly implemented as the Commission representatives have promised us on many occasions.

There are exciting projects to which funds can be allocated in this Community but they must be properly managed and controlled. The Parliament must surely now review the purpose of these institutions and decide which should continue and in which way they should be managed. I think this is especially relevant to Ispra, whose problems are well-documented in the reports before you all today.

We hope that a proper inter-institutional agency is established to meet the growing demands of all the institutions for data-processing facilities, because information is power and must not be restricted to the executive but must be made available to all the Community and to all institutions of it, including the backbench Members of this Parliament. We welcome the Budgetary Control Committee's intention to carry out a detailed examination also of the Office of Publications, where we remain very concerned about certain aspects and, indeed, publications about this House. We want better value for money and we believe it can be obtained by a stricter application of it.

I just want to turn, on my fourth point, on behalf of my group, to the report produced by Mr Dankert. We agree fully with his painstaking analysis, which has revealed the need for better management awareness of the markets and the preservation of the overriding principle of the annuality of the budget. We remember in this case the severe criticisms of the Court of Auditors concerning the damaging consequences on the budget of this mismanagement. We, as a group, will be supporting the proposals in the resolution for the discharge. We do not accept the views expressed by the Committee on Agriculture. They are dealing with the problem of the surplus and the problems that arise from it; we are concerned with the waste of money that occurs because of the surplus afterwards — the mismanagement of the money that we shall have to deal with.

The fifth point — and I was very pleased Mr Tugendhat mentioned it because it is often ignored inside this Parliament when we discuss the budget — is on food aid, because we sometimes forget in our preoccupation with our own European problems — which obviously cannot be underestimated — that the aid which the Community can give the developing world will be a highly important factor in redressing the balance in equality for the rest of this century. Parliament has shown its concern at world hunger; if we do not increase our efforts to alleviate suffering in the poorer countries of the world, our dreams of a better climate of living and working conditions for the people of Europe are doomed to failure in the eyes of the starving millions, who will rightly condemn us for

our selfishness and self-satisfaction. There is much still to do.

I just want to turn now very briefly to a point which has been reported in the press in the United Kingdom today and also the radio programmes this morning inside the United Kingdom. These reports indicate that many Members of this House are using this building to stay overnight for sleeping.

I feel that this report is probably an exaggeration when it comes to numbers. I condemn the practice, and I know that my group would condemn the practice. This House and the Members of this House get adequate facilities by way of money and expenses to enable them to obtain accommodation here. We condemn what happens, but we also condemn exaggerated reports of it. As Mr Tugendhat said at another stage, everybody who wants to criticize somebody else must be like Caesar's wife and beyond reproach. I think that this House must be very careful on matters like that, especially when we are discussing the problem of the mismanagement of public money.

Finally, together with my colleagues in the Socialist Group I would like to thank the Court of Auditors for their report and for the layout of the report. We know that it is continually improving each time. However, I regret that at times the Commission — not just in this House but also when they deal with us in the Committee on Budgetary Control — does not fully accept, or does not wish to understand, what the Court of Auditors is trying to tell them. I wish there was a lot more response from them on it.

Just dealing very briefly with what became known as the problem of the 200 million, our attitude as a group is that, although we accept the compromise and the composite new resolution, particularly the new paragraph 11, we are still very concerned at the figures changed backwards and forwards. This caused a lot of confusion. We hope that it will never occur again.

Therefore, Mr President, in conclusion, the cost of the unsatisfactory response to the discharge resolution of the European Parliament last year, because of the failure to observe the annuality of the budget, because of its failure to implement the explicit wishes of this House, because of the inadequate response to the challenge of the agricultural market for external trade, the Commission has come perilously close to a refusal of the discharge on the 1979 accounts. We trust they can do better in future. They must do better in future. If this Parliament is not convinced of the real improvement from today, I am sure the Commission will have to face not only a refusal for the discharge of the 1980/81 accounts, but they will feel the very real risk of a formal vote of censure for their disregard of the express wishes of this House.

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

**Mr Aigner, Chairman of the Committee on Budgetary Control.** — (DE) Mr President, ladies and gentlemen, I should like to begin by commenting briefly on what Mr Key had to say about the European Parliament. We are unfortunately the target of a large number of quite deliberate false reports, reports which are part of a clearly directed campaign against this Parliament. I could give you any number of examples of cases in which we — or rather, I in my capacity as the Chairman of the Committee on Budgetary Control — have endeavoured to produce clear figures to give the lie to these fabrications. But we are not even graced with an answer to our attempts to put the record straight. When we then dig a little deeper — and this, Mr Key, is the surprising and disturbing thing — to find out where these misleading reports about the European Parliament originate, it turns out that the initiative comes from within the House itself, from people who have got themselves elected to this House not to help in building Europe, but to prevent any such thing happening.

*(Applause from various quarters)*

It is an unfortunate fact that such people do exist, and it is they who make it increasingly difficult for us to clarify the situation in the Community and in this House

There is one further preliminary remark I would like to make, Mr President: I really wanted to address it to your predecessor in the chair to thank him for stressing at the beginning of the debate the importance of today's debate. I only wish his views were shared by all his colleagues in the Bureau. I think I am right in saying that no other Parliament anywhere in Europe has access to such a powerful instrument, taken in conjunction with the Community constitution and the European Court of Auditors. No other Parliament has such a powerful right of control and such a strong legal position as regards budgetary control as the European Parliament. But the practical application of these benefits must develop slowly; it is not the kind of thing you can expect to happen from one day to the next. All of us have a difficult learning process to go through, but — and here I should like to address a word to the Commission — we have, God knows, managed by way of cooperation with each other and in our frequently very hard-hitting discussions to learn from each other and to adapt to each other. The Commission has initiated a lot of things which have helped to clear up the original criticism.

But, Mr Tugendhat, I must say that I was surprised today when you referred to point 38 and called on this House to reject it. The paragraph in question merely makes a point, which is not in itself a hostile act. All we are doing is making a point which has arisen from

our control functions. Unfortunately, the same criticism was voiced by the Court of Auditors, by many national authorities and even by Commission officials. For that reason, you should not regard it as a hostile act on our part when we simply make a point which is intended as a suggestion to enable things to be done better in the future.

I also know — and here I am addressing the Commission as a whole — that there has recently, perhaps only some time in the last few days, been an exchange of notes between the European Court of Auditors and the Commission in which the Court of Auditors was attacked for not giving more prominence to the positive aspects of the work of the Community.

*(Laughter)*

Really, Mr Tugendhat, that is not the job of the Court of Auditors, nor is it the job of this House as a control institution. The task proper to the Court of Auditors is to use the means at its disposal to bring to light and clarify what has happened and to make its findings available to Parliament as the control institution for the purposes of evaluation. All the work done by the Court of Auditors is rendered pointless if no sanctions are available, and those sanctions are the prerogative of the European Parliament alone. That is our task, and we fulfil that task essentially by way of our annual reports and also by way of the special reports we produce. We have an instrument which amounts more or less to an on-going control facility. As this House has no legislative powers, we must seek to use the combination of budgetary rights and our control function to formulate and realize our political will.

Ladies and gentlemen, on behalf of my Group, and in my capacity as Chairman of the Committee on Budgetary Control, I should like to thank our general rapporteur most sincerely for the way-above-average work he has put in for this House and for the European Community. We are today debating jointly a number of reports which together cover virtually the work of an entire year on the part of the Committee on Budgetary Control. I should also like to address a word of thanks to the other specialized committees of this House. I appreciate that they do not always find it easy to put up with monitoring work on the part of another committee. We had certain difficulties to begin with, but I must say that these were almost entirely cleared up over the course of the last year. I would like to mention particularly one committee whose cooperative attitude has been exemplary, to wit the Committee on Energy and Research. Not only did the said committee supply us with its own reports for this report on budgetary control — not only from the point of view of the committee itself, but also from the control point of view — it made a decision which was a great source of pleasure to me. It decided in the future to invite a delegation from the Committee on Budgetary Control to join any delegations which may be going to visit or carry out a check on an institution

**Aigner**

like the Joint Research Centre. That kind of involvement will enable us to be all the better informed when we start work on our control reports. I can only hope that this good example will be followed by the other committees.

Mr President, in the short time available to us, I should just like to dwell on certain central points. I should like to make the point that all our decisions were taken unanimously. Even in the question of the 203 million EUA, which took up many hours of discussion, we succeeded last night — thanks in part to the nocturnal wisdom shown by some of our colleagues — to reach full agreement, so that I can say that the report and the decisions we are now recommending for your approval represent the concerted opinion of our Committee.

Mr President, despite considerable reservations on the part of the committee — which I would not seek to deny — we are this year recommending that a discharge be granted in the hope that the Commission will comply with the conditions set out in the motion for a resolution tabled by our general rapporteur and by the other rapporteurs.

However, our major reservations — and this criticism Mr Tugendhat is something you must reply to in public here in this House — relate to two conclusions the committee was unfortunately bound to draw. For one thing, the outgoing Commission is not *the* Commission as such. On a number of occasions the outgoing Commission failed to tell the truth to this House concerning the extent of agricultural exports to State-trading countries. Secondly, in the view of the Court of Auditors and of the committee, the agricultural market organizations were so badly managed in 1979 and also in 1980 that it cost the European taxpayer a few hundred million units of account more than was really necessary. This is the unanimous view of the Committee on Budgetary Control, and it is a view which is backed up by numerous experts in all the national capitals — and also of course by the Court of Auditors. We had very hard-hitting discussions about these matters with the Commission and Commission officials, and I believe that our vigorous reaction is already now saving the European taxpayer hundreds of millions of units of account — and there are experts who are prepared to confirm this.

*(Applause from various quarters)*

Let us take a look, ladies and gentlemen, at how this mismanagement of the market organization came about. As you know, I am a confirmed supporter of the common agricultural policy. I am not one of those who take a negative view of the CAP because certain mistakes have been made here or there — quite the contrary. I believe the common agricultural policy to be one of the European Community's major successes. However, there are two reasons for the mistakes in the management of the market organization.

Firstly, the information on market developments and the market situation for agricultural exports from the Community is completely inadequate, and in fact some of the information comes from precisely those people who are trying to feed the Commission with false information to get it to take mistaken decisions so as to boost their profits.

At our recent visit to the computer centre, we discussed whether or not it was possible to use modern data acquisition techniques to clarify commodity movements in the agricultural sector, to enable mistakes to be detected immediately or at least to make indicators available to bring to light any mistakes and thus enable the Community to react promptly.

The second reason — just as dangerous — is to be found in the structure of the management committees. The delays brought about by the national bureaucracies and the lackadaisical decisions taken by the Commission have resulted in mistaken and belated decisions which have cost the taxpayer hundreds of millions of units of account. I can give you the precise figures to illustrate my point. I was astonished to discover that, between 1 January and 16 November 1979, the export refund for butter was 198.191 ECU — in other words, as good as 200 ECU — despite the fact that market study had — according to the Commission's own documents — shown that the market was positively gasping for butter and would without doubt take up the Community's surplus. Despite this, however, the refund amount was not reduced.

Ladies and gentlemen, there are in the Court of Auditors experts from the national agricultural market management authorities who have detailed knowledge of the sector. If, for example, these experts criticize the fact that market conditions were totally ignored in the marketing of skimmed-milk powder and that the policy pursued was purely one of getting rid of the surpluses as quickly as possible and at any cost, and if even French Government circles, which are really not interested in the export and marketing of these surpluses, refer to mistakes which have cost the Community hundreds of millions, you cannot simply do as Mr Tugendhat has done today and ignore the criticism and pretend that everything was sweetness and light and the criticism was a hostile act which could not be tolerated.

*(Applause from various quarters)*

You said, Mr Tugendhat, that it was easier to assess the market situation with the benefit of hindsight. Do you not realize that, by saying this, you have in effect admitted that your response was the wrong one inasmuch as the market conditions were entirely different from what you had assumed?

As there is so little time available, I shall try to put the views of the Committee on Budgetary Control on the

**Aigner**

utilization of the surpluses in a nutshell. If, for instance, the Community controls 60% of the world market in the milk sector, but leaves it up to others to dictate the pattern of prices, there is surely something rotten in the state of Denmark. You simply cannot carry on as before and say that we shall continue to allow trade flows to dictate the market without any interference from us.

Ladies and gentlemen, I think it is a very revealing fact that the red French millionaire said in a recent interview, in reply to the question how he had managed to become so rich in such a short time, that he put it all down to the stupidity of his trading partners.

*(Laughter)*

The fact is, though, that the Community is this man's trading partner.

Ladies and gentlemen, we have another, more serious, criticism to make of the Commission. Not only the Committee on Budgetary Control, but also the Committee on Agriculture and individual Members of this House have questioned the Commission again and again as to the extent of agricultural exports to the State-trading countries, and the Commission's reply has always been that such transactions did not exceed the average of the last three years. Now, though, we have the final figures: in 1978, we supplied 20 876 tonnes of butter to the State-trading countries, compared with 134 649 tonnes in 1979. In other words, our exports have gone up from 20 000 tonnes to 134 000 tonnes. As regards the export of cereals to the State-trading countries, the 1979 figure was 247 000 tonnes, compared with well over 1 million tonnes in 1980 — and that despite the embargo which the Commission participated in.

That is not the way to keep this House informed on such important political issues!

Ladies and gentlemen, agricultural expenditure accounts for between 60% and 70% of our budget, and for that reason the Committee was of course duty-bound to pay special attention to this sector. The worst abuses we came upon in the committee had already been given a full airing in the press. At a time when we were sending food aid to Poland — and we were all delighted to be able to do this and to help the Poles — in this difficult situation we fell victim to a trick — which must have been recognized as such by the Commission — whereby coconut fat was mixed with butter and all of a sudden was exported under an industrial — as opposed to an agricultural — trade classification. I was told by a Commission official that he had never expected the Russians to be able to get away with such a thing with their consumers, but I have tried the product myself. It is top-quality fat and has the same melting point as butter. Of course, it went like hot-cakes. This fat was in fact supplied to the Russians cheaper than our food aid to the Poles.

Under the circumstances, you surely do not expect this House to hold its fire, simply accept what has been going on and tell the Commission to keep up the good work.

Mr Tugendhat, I shall not pull any punches — you may rest assured of that — you have shown by the speech you made that there is nothing more important than an element of Parliamentary control over the Commission. It is quite wrong to say that the Commission's political control over the management of this sector functions effectively. What we have here is a process which has generated its own impetus and escaped the political control of the Commission. We are talking about a very difficult subject. Not everyone can fathom out the market organizations just like that. All the submissions made to the Commission come from the Directorate-General for Agriculture and although the Commission is a collegiate body, it does not have the necessary specialist knowledge to direct and exercise political control over its own administrators. It is a pity that the President of the Commission is not here, but I shall none the less make the point personally that, in my opinion, the Commission is bound to take whatever steps are necessary *vis-à-vis* its own staff to regain political control over the Directorate-General for Agriculture.

*(Applause from various quarters)*

Ladies and gentlemen, I should like briefly to touch on a few more points. In our report on the Court of Auditors' annual report, we cannot go into every aspect of control in great detail and subject everything to genuine and full-scale Parliamentary control. We are therefore working on a number of special reports, including a report on office accommodation policy — a question which is of particular interest to this House in view of our three places of work; a report on the functioning of the ECSC in 1978/79 — a very important matter which concerns the question of overt and covert national subsidies; a report on the European Foundation in Dublin, as well as two opinions on budgetary reform.

I would go along with you, Mr Tugendhat, in the fact that the criticism of the Commission voiced by the Court of Auditors applies likewise to the European Parliament and the other institutions on a number of points. Mrs Veil has asked my committee to set up a working party so that we can bring more clarity into the question of Parliament's expenditure, and so that sufficient attention is paid to the question of economy to meet any criticism, which may in certain cases be justified. I realize that spending policy is a great problem to any administration, especially in view of the difficult decision-making structure and the difficult competence disputes within this House. Who, after all, is responsible for Parliament's spending? Is it the Bureau, or the Quaestors, or is it the Committee on Budgets? You are aware of the conflicts we have had over the last few months, which Mr Lange will be able

**Aigner**

to confirm. All these questions require clarification. It must be an acknowledged fact in this House too who is responsible for spending, and whoever it is must be prepared to accept full responsibility *vis-à-vis* the control instances. We shall subject the European Parliament's accounts to very detailed and very intensive studies.

We are also working on a report on cereals policy and in this respect I came across what was for me a surprising fact. Although the new USA Administration has lifted the cereals embargo, it has at the same time banned exports of butter to the Soviet Union. In other words, the United States is exporting cereals but at the same doing everything in its power to prevent the export of butter. What we need here is a coordinated overall policy involving the United States and the Community. It is up to the Commission to formulate its policy on this point and take the necessary decisions.

Then we have a report of our own on the European Development Fund, a report on the Foundation in Berlin and, in particular, a report on food aid, which will bring to light a great number of problems and will, I hope, prompt us to work out a better strategy.

Mr President, my committee has taken on an extremely arduous task, and the rapporteurs have put in a great deal of work in producing their reports. I should also like to say, that despite the no-holds-barred attitude, we have had a good discussion with the representatives of the Commission and the Commission officials. I should like to thank Mr Davignon most sincerely for reacting immediately and in a positive vein to our suggestions on the Ispra question. We got an excellent dialogue going with Mr Davignon on the question of the computer centre and developed a true spirit of partnership.

I should like to conclude on the same point that Mr Thorn made yesterday. Parliament and the Commission need each other if we are to bring the policy of European integration to a successful conclusion. What we also need are control, a readiness for confrontation and cooperation and a determination to solve the outstanding problems. In this spirit, I should like to express my thanks to all those who have worked on this report.

**President.** — I call the European Democratic Group.

**Mr Patterson.** — I am tempted, Mr President, to spend the few minutes which are at my disposal talking about cheese omelets. Now why cheese omelets, you might ask? Because the fact that subsidies from Community funds are being paid in order that cheese omelets can be served in school canteens is one of the fascinating facts revealed in the source document of this debate which, as Commissioner Tugendhat

reminded us, is the report of the Community's Court of Auditors for 1979.

The Court and this Parliament's Committee on Budgetary Control came into full existence at roughly the same time. In my view the work we carry out together is of the highest importance for the development of the European Community. Indeed this debate is one of the most important of the year, although looking around at the House this morning you would not think so. As Mr Irmer reminded us, Article 85 of the Financial Regulation states that all Community institutions shall take action on the recommendations we make today. And this places a responsibility upon us to give careful attention to the issues raised by the Court of Auditors.

Now one matter which has absorbed considerable time in the Committee on Budgetary Control, and indeed in the debate today, is whether the 203.5 million EUA, for which there was no budgetary cover in 1979, should be attributed to the 1979 or the 1980 budget. My group, like the committee late last night, as Mr Aigner said, has come to the conclusion that we shall not accept the recommendation of the Court of Auditors, that is that it should be charged in 1979, but this is of an entirely exceptional nature.

In my view, however, this matter is not nearly as important as how the situation came about in the first place. As Commissioner Tugendhat told us, it arose basically because of the way stocks of milk products were disposed of on the world market by the Commission during the summer of 1979. Descriptions are to be found in Chapter 4 of the Auditor's report, again in the report by Mr Dankert on the Guarantee Section of EAGGF and again we have now had Commissioner Tugendhat's own account.

Mr Dankert's account reads rather like a moderately gripping thriller. He describes how very considerable advances were made in July to dispose of milk products and how it became increasingly obvious that no money would be available to cover them. There followed, as he describes it, panic in October when it emerged that the Commission would be short of some 412 million EUA. Faith was put in a supplementary budget which, however, did not come to the rescue in time.

As Mr Irmer remarked at the beginning of this debate, what can we learn? I make two basic points.

First, the way the Commission effectively operates as a major trader on the world market is clearly brought into question. The Court of Auditors state that the Commission's inefficiency led directly to the budget being managed under abnormal conditions in the last months of 1979 and it calls the Commission's excuses weak. Now this may be true or false and I listened very carefully to Commissioner Tugendhat's defence. However, Mr Dankert quotes a Community official as



**Patterson**

remarking that the Commission is neither a commercial nor an industrial undertaking. Mr President, how very true. Nevertheless, the Commission is constantly acting as a commercial body financing transactions involving hundreds of millions of taxpayers' units of account. Ways must be found of exercising as effective a control as possible. And Mr Irmer's report outlines some of these in paragraphs 31 to 43.

However, one is forced to the inevitable conclusion that the best solution will be to avoid any situation in the future where large agricultural surpluses have to be traded over a very short period on a world market which is almost always unpredictable. And here I must question what Mr Tugendhat said about the management of the market. What sort of management is it where you buy high and sell low instead of what would have been perfectly possible, i.e. to have bought low and sold high?

My final conclusion must to some extent however come to the support of the Commission. We make a lot of the need for annuality. But as Mr Irmer puts it, the system of funding agricultural spending is not compatible with the structure of an annual budget. We vote the budget in December but who knows then what the agricultural price review will say in the spring and what is going to happen on the world market? It is for this reason that I regret the deletion from Sir Henry Plumb's report on Tuesday of the recommendation to bring the agricultural and budgetary years more into alignment.

There are of course, Mr President, a thousand other matters which I might raise but I conclude by warmly commending all these documents to the House on behalf of my group and thank all the rapporteurs involved.

**President.** — I call the Communist and Allies Group.

**Mrs Boserup.** — *(DA)* Mr President, ladies and gentlemen, in the Committee on Budgetary Control we have heard many times, particularly from our Chairman, Mr Aigner, that our work does not consist of bookkeeping and checking counterfoils but of making political statements on the administration of the taxpayers' money. I share this attitude, and it is on this basis that I will speak very briefly.

For us to be able to do our job, however, in the very short time allowed, we must receive a reliable, detailed and clear report from the Court of Auditors, and this is what actually happens. I have great respect for the Court of Auditors and I will always defend its right to criticize administration wherever it finds inadequate or inaccurate accounting.

I was therefore amazed and deeply concerned to learn from the report we are now discussing that the

Commission has a slightly different opinion. It claims that too much criticism without corresponding amounts of praise is detrimental to integration. In a question to the Commission I tried to get a logical explanation for this strange comment. Far from explaining anything, the Commission merely persisted in its folly. It cites the Treaty of 22 July 1975 but this actually says that the Court of Auditors shall be absolutely independent in the performance of its tasks, and it cannot therefore be guided by considerations of integration. Of course it can't. What would be the use of an audit which did not involve a careful analysis of all the defects in the material audited? I therefore appeal to the Commission to change its view of the rights and obligations of the Court of Auditors.

The overwhelming majority of the Committee is in favour of promoting integration. My constituents are not at all in favour of it, but that does not prevent me from following the work in this committee with great attention. My constituents must accept what they regard as an undesirable situation, i.e. Danish membership of the Community, but they should not also have to tolerate misuse of the taxpayers' money.

As you will probably have noticed from the previous speeches, we have had considerable difficulties during the year, and these will continue unabated next year. I am thinking of the second supplementary budget for 1980 and the resultant disagreement among certain Member States. I am also thinking of the co-responsibility levy, which is now to be increased and which cannot continue to appear as negative expenditure. We have had enormous problems with the 203 million units of account which the Commission paid out in 1979 without appropriations. We have glossed over just how we will deal with the fact that money was collected without being shown anywhere as income. I would ask if you think the former worse than the latter. In my opinion it is not.

The determination of the majority to give Parliament powers which belong with our national governments is expressed in the usual pompous way. It is demanded that the Commission, in cases where the Council does not — as it is so nicely put — fulfil its obligations to issue legal regulations, should regard the budget as a legal basis. Yes, but how can one compel the representatives of legally elected governments to go beyond what their electors will accept? In Denmark we are always quick to criticize the Danish Government if it goes to the limit of what we consider is strictly necessary.

Good work has been done in examining some areas which are not very important as regards expenditure but which should still have contributed to the prestige of the Community. I am thinking for example of research and the European Schools. The Joint Research Centre was presumably intended as a cultural showpiece, but it is a mere shadow of what it should be, a millstone round our necks. I had expected

**Boserup**

a proposal to close down, for example over a maximum of five years — and how English Conservatives whose speciality is cuts in expenditure can come to another result is and remains a mystery to me!

But the largest amount of course goes to the guarantee section of the Agricultural Fund, which devours millions. Much of the money ends up with multinational concerns and food manufacturers, while some of it goes to swindlers who specialize in bypassing the jungle of provisions which is a feature of our agricultural system. All too little goes to the farmers who are supposed to benefit. The consumers pay both as consumers and as taxpayers. We Danes are often reminded that we make a profit on the system. We do indeed, but not the farmers. It is not the man working on his own farm who profits by it. It is the capitalists who receive sky-high interest rates. At any rate the money does not go to those who need it

I will conclude by saying that I have no formal objections to approval, but the motion for a resolution is so marked by Parliament's customary conceit and lust for power that I cannot vote for it.

**President.** — I call Mr Dankert.

**Mr Dankert, rapporteur.** — (NL) Mr President, just a few more comments first of all on the speech by the rapporteur for the Committee on Agriculture, Mr Clinton. I should like to emphasize that we don't have to make the discharge debate into a discussion of the agricultural policy. It must be limited to the implementation of the budget. If it is not, we are approaching things from the wrong angle. I therefore think that the amendments tabled by the Committee on Agriculture, in spite of the fact that Commissioner Tugendhat did not have much difficulty with them and that politically speaking I did not have much difficulty with them either, are out of place here since they are concerned with agricultural policy and not the implementation of the budget. That is my first point.

My second point is that Commissioner Tugendhat selected from a report that is actually a long list of problems of enormous scope, only one problem, that supposed wastage in the management of the skimmed-milk powder sector where there is talk of a figure of 185 million units of account. It is conceivably higher, perhaps also somewhat lower. The Commission's argument in fact comes down to two arguments. Perhaps we could have saved money in 1979 by buying less milk powder, but then we would have had to spend extra money in 1980/81. Probably that would have been more expensive. That is one line of reasoning. The second line of reasoning which does not quite tie up with that is: it is easy to be wise after the event.

As regards being wise after the event — Mr Aigner has already pointed out that there was full public discus-

sion of the problems of the milk powder market in agricultural circles in the early summer of 1979. There were shortages, there was speculation, there were many major problems, particularly in the feedstuffs sector on the domestic market. Enough warnings were given but then it seems that the Commission was taking its summer holidays and acted too late. But what is the point? The point is not that the Committee on Budgets or the Committee on Budgetary Control or the Court of Auditors finds that the milk powder mountain did not have to be brought up. The point is was the refund fair? Could it not have been lower in the spring of 1979 when the Commission could already see that milk powder production would stagnate instead of rising as in earlier years. This development ran parallel to the development in New Zealand where exactly the same thing happened. Yet the refund was too late and inadequate which in fact meant that the process had to be repeated a number of times. This involved a considerable element of wastage and there is also a considerable element of wastage in the fact that the Commission has maintained the exceptional costly subsidies to the processing of milk powder to make feedstuffs for pigs and poultry for too long. The Commissioner did not mention that. The action was taken far too late; if the regulation had been suspended three months earlier considerable savings could have been made there too. I do not think that the Commission has refuted the criticism on this matter since it is not a matter of whether the milk powder mountain should be eliminated, that is not the problem at all, we are all in agreement about that. It is a question of whether the milk powder mountain could have been reduced at less cost. The Commission is convinced it could not have been. That is being wise after the event. I point out that there were enough warnings coming through from the world of agriculture in the spring and summer of 1979 as I have just mentioned. In addition the Commission should have noticed from the enormously fast development of price pre-fixing — hundreds of thousands of tonnes were bought up at a pre-fixing price — that there must be something happening. The very fact that the system has now been adapted so that this can no longer happen proves that there was a defect in the system which cost the Community an enormous amount of money.

**President.** — I call Mr Notenboom

**Mr Notenboom.** — (NL) The task we are engaged in today is a very important one. We are, on behalf of the people of Europe, exercising our control function in which the Court of Auditors also has an important — indeed indispensable — part to play, and I see that it has found its feet very well after the first few years. I also hope that the Court of Auditors will manage constantly to improve its working relations with the internal control of the European Commission and that duplication of work will be avoided and that the activities will rather complement and reinforce each other.

## Notenboom

I should like to thank our rapporteur for the considerable amount of work which has made this control activity possible. I wanted to make just one remark regarding the prevention of fraud which is something which might receive more attention in coming years. Is the European Community getting the funds it is entitled to? The answer is no and I realize that the Commission's apparatus for carrying out on-the-spot checks in Europe is limited but I would nevertheless urge it to use this apparatus where it suspects this to be necessary. A flying squad can frequently do a great deal. I would also call for an even greater improvement in cooperation with the national control and executive bodies. In addition, I should like to draw attention to a very small detail which, I think, is in fact more important than it looks, i.e. the fact that for a number of years now the budgetary item for seminars for EAGGF inspectors and customs officials has come nowhere near to being exhausted. It is not a large amount which is involved, but it makes one wonder whether in fact everything possible is being done to make the prevention of fraud as regards own resources as effective as possible. A great deal still remains to be done in this field.

Secondly, I am very pleased at the compromise which was achieved yesterday. I wholeheartedly go along with the criticism made by the Committee on Budgetary Control, Mr Irmer, Mr Aigner and, of course, by the Court of Auditors too regarding the 203·5 million which were entered for the wrong year. I fully concur with this criticism and the reason why I was one of the first to suggest that these amounts should not be corrected but that we should make this serious criticism and leave it at that, was that it would mean that 1980 would have to be corrected too. This question is currently before the Court of Justice and I do not want this procedure to be delayed, I do not want there to be any uncertainty and I do not want the position of the Member State at fault in this matter to be made any easier. I had other reasons too, but it is not true to say that I do not share this criticism.

My third remark concerns what Mr Tugendhat has just said regarding the legal basis. I agree that it is a good thing that we are now getting together to do something about this — in fact I had proposed this myself. I am expecting something to come of this, since a situation whereby so many millions which people have worked hard to have included in the budget are simply not spent can obviously not be allowed to continue. There are items regarding industrial policy where 0% has been spent and what an effort it was to have those amounts included in the budget in the first place! However, we finally managed, on the basis of the Treaties among other things, to have then legally included in the budget, and 0·0% of them was spent.

And then we hear the excuse that an additional legal basis is also required. This is occasionally true but by no means in all cases. We should, I think, both the

Commission and Parliament, finally call a halt to the abstract theorizing which we have been indulging in for five years or so. It may well be interesting and a pleasant way of passing the time, but it does not get us anywhere. This is where the joint working party of the Committee on Budgets and the Committee on Budgetary Control together with the Commission, with whom we still have a number of differences of opinion, will be able to help. Obviously, things are not as simple as Mr Tugendhat said. According to Mr Tugendhat, the budget constitutes a basis but is not in itself sufficient. Additional decisions and legal bases are also required except in the case of *actions ponctuelles*. Obviously, they are not required in the case of *actions ponctuelles*, but there are other cases in which they are not necessary either — for example, when the Council clearly refuses to provide the additional legal basis. That is one example, and there are many more. It is therefore much more difficult, if the Commission is failing in its duties, to come up with proposals in good time. Thus, if it was only a question of these *actions ponctuelles*, Mr Tugendhat, there would have been no need for this working party. However, I join you in hoping that if we can now get things moving, after all the discussions there have been on this subject, after all the answers the Commission has given us in October each year, it will soon be possible to achieve a consensus, and if we as European Commission and European Parliament give this our 100% support, we will naturally have much more influence on the Council and the position of our section of the budgetary authority will be much stronger. We need each other's support in this and I should like to thank you for your assurance that you will do what you can in this respect. I hope Parliament will play its part too, and that we will soon be able to solve this important question which has divided us for many years now.

**President.** — I call Mr Price.

**Mr Price.** — Mr President, it is my responsibility within the committee to scrutinize the administrative budget which amounted to 551 million units of account in 1979. I think it is worth noting that that is actually a declining proportion of the Community budget. It has fallen from some 4·4% in 1976 to 3·8% in 1979, and I think that on that point the Commission are to be congratulated and one hopes that that decline in percentage may well continue although, clearly, there are limits to how far you can get an administrative budget down.

If one looks at the nature of an analysis of administrative expenditure, quite clearly we are dealing with a lot of detailed points. This is not the sort of area where one can identify clearly major issues of policy sweeping right across the entire administration, it is a whole series of what might be described as nit-picking points. The way in which the Committee on Budgetary Control has dealt with this in paragraph 66 of the

**Price**

resolution is to incorporate in one portmanteau clause all the conclusions of the working paper on the administrative section of the budget.

In looking at the area, I think that quite clearly Ispra is the name that has cropped up in quite a number of our points. Just as it did in the wider context of my section dealing with the administrative expenditure of the Commission. There, I hope, we are going to be able to make this year, when we made our criticisms of Ispra, the year that they were taken notice of, so that we need not keep harping on these in future years. We have already had signs from the Commission that they have taken note and that action has already been taken. Ispra is a very important institution in the Community and is doing valuable work. But perhaps I could draw attention to just two things there. One is the payment of bonuses and allowances where the present system there is really quite outmoded. The regulations were drawn up at a time when Ispra was doing quite different work, and quite clearly those regulations need to be brought into line with the modern situation.

The second thing is that the staff structure itself at Ispra, which started off with people being appointed on permanent contracts, even though it was bound to change, has become outmoded. It is one which, I think, the Commission have taken note of. Quite clearly changes are required. I will say no more, Mr President, because, as I say, these are a lot of detailed points. Members will find a very considerable analysis of them in the working paper and it has also been incorporated in paragraph 66 of the resolution.

**President.** — I call Mr Colla.

**Mr Colla.** — (NL) Mr President, I naturally go along with what has been said by the previous speakers from the Socialist Group, but I should nevertheless like to make one point. As other speakers have already stressed, this is one of the most important debates we have had regarding the competency of the European Parliament and I think therefore that the various groups in this Parliament should put their heads together once more and consider whether or not the debate on the discharge on the implementation of the budget might in fact receive the attention it merits on future occasions. It should not continue to be simply a series of speeches by the various spokesmen who have already discussed the matter in the Committee on Budgetary Control. I am sorry to have to say this, since it is of course very important that the European Parliament should discuss everything, but one of the prime requirements is nevertheless that it should be fully aware of the areas in which it is already competent and which should, therefore, take priority.

For the rest, I should merely like to make a number of general observations. In my view, the debate on

discharge arouses too little interest and takes place too much in isolation. Perhaps it is fortunate that this week we have already discussed both the Plumb report and the restructuring of the budget and now we are discussing the discharge for 1979. It is my great wish that the debate on the discharge procedure should be linked much more directly with the other major debates of this Parliament, in particular, the budgetary procedure. I would therefore ask the Commission to work out appropriate proposals so that in December of this year on the occasion of the second reading of the budget for 1982, we will be better informed regarding the implementation of the budget for 1981 and so that it will be possible to take more account of the situation in 1981 in the final decision-making regarding the 1982 budget. This would substantially increase the credibility of the budget and we would no longer have to lament the fact that the budget was inadequately implemented as we do every year during the discharge procedure.

My second general comment concerns the relations between the institutions, and I am thinking primarily of the Council. Perhaps too little has been said so far on this point during this debate. According to the Financial Regulation the Council must draw up a document each year stating its opinion regarding the entire discharge procedure. I find this document particularly worthy of note as it contains, for example, the passage on interest subsidies where it is stated that the Council takes due note of the comments of the Court of Auditors and would look into this question again in due course. This is typical of this opinion as a whole — I feel I have to say this. It is typical of what I might go so far as to describe as the coolness, the indifference and, let us be quite frank, the contempt of the Council, the Ministers or should I say the Council officials, for the discharge procedures.

Of course, this is understandable to some extent as the entire Council of Ministers is, as it were, out of firing range when we discuss the discharge procedure.

However, the Commission can come under fire from the Parliament and Parliament makes use of this opportunity — and quite rightly in some cases, I might say. Indeed, I am always one of the first to draw the attention of the Commission to its responsibility in certain respects. However, it should be stressed that as regards the implementation of the budget or, to be more accurate, the inadequate implementation of the budget, the Council too bears more and more responsibility as a result of the line it adopts and the sort of regulations it draws up, etc. One of the major problems facing us is that one of the main parties responsible, i.e. the Council, is in fact out of firing range. This should not be allowed to continue, as it means that although the Commission is only partially responsible for the effective implementation of the budget in certain fields, Parliament has only one possibility open to it i.e. to censure the Commission. It cannot do this in the case of the Council.

## Colla

While on the subject of the relations between the institutions, I should like to say a few words on the role of the Court of Auditors. A certain irritation could be detected in this year's discharge debates and in the reactions of the Commission to the report of the Court of Auditors. The feeling would appear to be that the Court of Auditors is concerning itself too much with a number of matters which are in fact none of its business. The Commission must realize that the Parliament cannot go along with this view. The Commission must realize that if Parliament wishes to carry out useful and, above all, reasonable political work, it is vital that it should be able to work under the best possible conditions and with the assistance of the technical body, i.e. the Court of Auditors. I should very much regret if this feeling of irritation which could be detected in the debates were to continue.

And now a few comments on the chapter on energy and research, two areas which are of vital importance for the Community. We are not calling for attention to be paid to this chapter as a sort of accountant who wants to check the figures in the budget on the one hand and in the accounts on the other, but because these matters are of major importance for the industrial development of the Community. If the Commission really wants to do something about unemployment, the utmost attention must be paid to two elements, i.e. applied research which is likely to create jobs, in view of our shortage of raw materials, and energy policy. These two things have their implications for the whole complex of economic difficulties facing the Community and the Member States. Thus it is not out of a sort of accountant's mentality but out of a fundamental political concern for the Community that we wish to highlight these two chapters.

It is very depressing to see on the one hand the small amount earmarked for energy policy and on the other hand the inadequate use made of these small amounts.

In fact, as regards energy, budgetary policy is a total failure, even if this is putting it a bit strongly. At any rate, energy policy has not yet been accorded the importance it deserves in our Community.

However, I welcome the fact that, as regards both energy and research, the Joint Research Centre has reacted positively to a number of comments made during the debate on the discharge procedures for 1978. Nevertheless, a great deal still remains to be done.

As we have already said last year, the regulations involve difficult procedures and these procedures differ widely as a result of the widely differing nature of the regulations. And then there is the role of the control committees. I am thinking here of the Joint Research Centre and our criticism of the residential building policy. We are waiting for Commission initiatives on all these points with next year in mind. We have in fact already discussed these questions with the

competent Commissioner, Mr Davignon. This was a positive discussion and I hope it will lead to positive results and effective cooperation between our two institutions.

Finally, I should like to say a few words on a point which has been something of a hot potato in the debates of the Committee on Budgetary Control, i.e. the fact that the 1979 appropriations for the guarantee section of the EAGGF were exceeded by 203.5 million EUA. The view of my Group is clear. We emphatically reject the procedure which was applied. However, we do not wish the political options of this Parliament regarding the 1980 budget and the supplementary budget to be put in jeopardy as a result of over-hasty decisions on the basis of our criticisms, justified though they were. This flexible and strategic attitude should under no circumstances be taken as a precedent at a later date. However, for these reasons, our Group intends to withdraw its amendments and will vote in favour of the compromise achieved in the Committee on Budgets in spite of the fact that we were not particularly pleased with the procedure applied. However, for the sake of good order and understanding we are prepared to compromise a little. It is for this reason that we are prepared to withdraw Amendment No 4.

**President.** — I call Mr Früh.

**Mr Früh.** — *(DE)* Mr President, ladies and gentlemen, it is surely not surprising if reference is again made to some aspects of the common agricultural policy during a debate on budgetary control. When I read Mr Dankert's report, on which I wish to congratulate him, and I clearly see on the very first page in the recitals that 75% of the EC budget goes on the agricultural policy — a figure which continually haunts us and creates great alarm and despondency — I know very well that Mr Dankert does not really need to select an overall figure of this type. He should have broken it down a little because he has very good sources to draw on. Then it turns out on page 10 that he too knows Mr Daniel Strasser's book. He mentions the book and he also could have used it to indicate how this 75% is made up. Mr Dankert knows the budget very well since he was the general rapporteur.

My wish, and it is a very sensible wish, is that this House or the Commission should try to put this 75% forward for discussion and examine it from all angles. Or another possibility: it would be a good idea to add that this sum corresponds to only 0.48% of the gross domestic product. Then we could discuss insurance premiums and many other points which would serve as a further example for the great number of people outside who are often misinformed by the newspapers so that they see the agricultural policy as a monster swallowing the taxpayers' money

**Früh**

Here too percentage rises in the cost of the agricultural policy are again mentioned. If you know about the mathematics of percentages it is not a difficult matter. With the agricultural policy for 6, 9 or 10 countries — including expensive countries which will perhaps be joined by even more expensive ones — it is not possible to talk in percentages, actual amounts should be given. It is like that with percentages. It depends where you start. A percentage rise can be very high.

I think we should then have a better basis to work on. It would do us all good, not only the agricultural policy but also budgetary control, the Parliament and the European Community. We have the instruments for it. It would put an end to many of the assertions made by outsiders.

On the matter of the supplementary budget which has also just been attacked by the previous speaker: I am of course not in favour of it either but if anyone, who sees the agricultural policy in its full reality, and of the people who have to draw up the draft budget or any of us who have to approve it, demands that it should show down to the last farthing what weather, world market prices and political tension the next year will bring, he has not fully grasped that reality! We are not at a course of lectures or a seminar where we need only to calculate and nothing unforeseen can occur. A computer can't know everything. If it did we would have a lot less to worry about. I therefore wonder again and again why there are supplementary budgets in the individual States where the risk is after all much easier to assess. I will not remind you of the breakdown of many national budget debates and what happened later as regards supplementary budgets. We should therefore see things as they really are.

This morning something happened . . . I will express myself more carefully: this morning it was proved that the agricultural policy as such is not really so expensive. It sometimes becomes expensive because decisions are not made at the right moment. I do not need to say any more because Mr Aigner, the Chairman of our Committee on Budgetary Control has already made this so clear that it is almost overwhelming. If everything he said is right then I think we have a great responsibility here. Then it is urgently necessary — and now you see how closely this hangs together with overall policy — that the few regions of the world which can offer agricultural products do not undermine one another and squander the taxpayers' money.

In our agricultural policy we often need a great deal of money from taxation in order to guarantee the consumer a constant and continuous supply for less and less work. We might well have made money with our sugar stocks at various times in the past — the quite recent past in fact. We continued to block them so that nothing would happen to intra-Community consumption and so that we could restrain inflation in the Community. These interrelationships must be

made clear once and for all. If this debate can serve not only to show a clear relationship between the agricultural policy and its costs — i.e. the costs and the wasting of the tax money — but also to show the other, positive, effects of this, the one common European policy, then it will have been a good debate. I hope that it will have its effects, particularly on the Commission.

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

IN THE CHAIR: MR DE FERRANTI

*Vice-President*

**President.** — I call Mr Battersby.

**Mr Battersby.** — I want to refer very briefly to two of the reports on budgetary control — those by Mr Gabert and by Mr Dankert.

Mr Gabert's text is a very interesting one dealing with the so-called 'Como butter' fraud. This was a fraudulent operation of truly staggering dimensions, master-minded, I believe, from outside the Community by Community operators. It involved hundreds of men, 327 heavy vehicles, five frontiers, an estimated 8 million units of account in levies on agricultural products and the falsification of documents relating to 248 consignments. In all, 6 000 tonnes of butter were involved. The efficiency, meticulous organization, the complex web of forged documents and official rubber stamps indicated a regular routine, a repetitive procedure, and this case has taken years to unravel. If we estimate that 1 000 men were directly involved in the fraud, each of them stood to gain only 8 000 units of account, and I do not think people go to that degree of organization for a one-off operation paying 8 000 units of account per head.

The elaborate fraud came to light quite by accident, as a result of a road traffic accident involving only one of these 327 vehicles. The question is how many other convoys got through before and how many have slipped through since. Have all the Member States taken the necessary preventive action?

The tentacles of this crime, which, as I said, was highly organized, reach out very far. Only a fraction of the people involved have been identified. Only 29 vehicles have been seized. One wonders what has happened to the other 298.

Everyone who is here values the good name of the European Community, and we all endorse Mr

**Battersby**

Gabert's resolution and the points he has made. Certain points, however, have to be underlined. We must refine Community cooperation between the Member States so as to diminish the scope for organized crime profiting at the expense of the Community. We must try to obtain the friendly cooperation of national authorities outside the Community. We must refine our international transit and guarantee arrangements. We are up against well-established, highly-skilled, sophisticated racketeers who can only be countered and beaten by superior and equally sophisticated organization. Consequently, while calling on the Commission to strive harder to protect our own resources, we must ensure that it is given the necessary personnel, muscle and teeth to do this. Above all, the Community resources that are still outstanding in the 'Como butter' case must be collected. It is taxpayers' money, and in view of the long period which often elapses between crime, detection and conviction, some index system should be incorporated in the sanction mechanism to recoup the true loss to the taxpayer and encourage Member States to react and prosecute with greater rapidity.

Now I should like to say a few words about Mr Dankert's report on the EAGGF. We all respect Mr Dankert's detailed knowledge of the common agricultural policy and his undisputed mastery of budgetary affairs, but we also know that there are basic financial management defects in the Community agricultural sector which must be rectified, defects which we and the Commission are doing our best to rectify. It is our joint task as partners in the budgetary authority, and it is a pity that the other partner in the budgetary authority is not here at this moment. We have to underline these weaknesses. We have to condemn them and to point the way to reform. For these reasons I have put down a limited number of personal amendments to Mr Dankert's resolution — not to criticize him and not to try and draw the real attention away from the budgetary aspects of our work: they are there to toughen up the resolution. They press for an end to irregularities and waste, for the application of sound financial criteria to export transactions with State-trading companies and for a tightening-up of our budgetary procedures. I would therefore ask, since they are there to strengthen the resolution, that the rapporteur and the Parliament support these amendments.

In conclusion, I consider that the dedicated work done by all the discharge rapporteurs and the secretariat in this vital area of protecting the taxpayers' interests through the budgetary control discharge procedure calls for our congratulations and thanks and that the rapporteurs and the secretariat should be applauded for the excellence of these reports.

**President.** — I call Mr Fotilas.

**Mr Fotilas.** — (GR) Mr President, I shall restrict myself to a few brief remarks on the 'Como butter'

case. In the light of this case, the motion for a resolution contained in the Gabert report and relating to the Commission's powers to collect the Community's own resources raises the more general question of the competencies of the Community institutions *vis-à-vis* the Member States.

The Treaty of Rome and the relative legislation do not give the Commission the right to act on its own initiative to monitor any infringement on the part of a Member State. Moreover, in its Case 267/78, the Court of Justice rejected the proceedings brought against the Italian Government over this case.

As the legislation stands at present, it is the national authorities alone who exercise control at the request of the Commission, and the Commission, as a Community institution, is informed of the results of the national authorities' control activities — i.e. of their investigations — once the procedure has been completed.

This motion for a resolution calls for an investigation into whether the Commission could propose to the Council a regulation under which it could — in exceptional cases — conduct its own investigations in the Member States independently of the national authorities.

I would also point out that this proposal is linked to the proposal in the Spinelli report to set up a supranational control body for the collection of customs duties on the territories of the Member States. This proposal casts doubts upon the solvency of the national authorities and the individual governments, despite the fact that, according to international practice, the latter are assumed to possess absolute solvency.

Such a move would clearly represent a fundamental restriction of the powers of the national governments and an increase in the powers of the Community institutions outside the framework of the Treaties and the legal basis on which the Community was set up.

I must state quite clearly that I am opposed to any such attempt to restrict the powers of the Greek administration, and that I am against the motion for a resolution contained in the Gabert report — not, of course, because we have any sympathy for those who use complicated and cunning schemes to try to evade their contractual obligations, but because we cannot accept any attempt to restrict the powers of the national governments.

**President.** — I call the Commission.

**Mr Davignon, Vice-President of the Commission.** — (FR) Mr President, as my colleague Mr Tugendhat said this morning, I should like to concentrate on

### Davignon

some of the points raised by Mr Irmer in his report, and which were given particular emphasis by Mr Kellett-Bowman, concerning the Commission's data-processing centre.

Parliament has shown concern at the fact that the cost of the change-over from the previous data-processing system to the ICL system was higher than had been expected. This is where the first ambiguity arises between the Commission and the Parliament on questions of this type. What exactly are we assessing? Are our judgments based on the results which we hope to achieve in the context of a developing technology or do we start out from the notion that we should spend as little as possible? The Commission's main motivation when it made its decision was not to equip its computer centre as cheaply as possible. When calculating the costs, it included the possibility of developing a European industry which required public support.

But we must ask ourselves — as Mr Aigner did just now — how we can make sure that the Committee on Budgets, the Committee on Budgetary Control and the various other committees whose job it is to assess the merits of particular political, industrial or technological objectives keep in touch with one another.

In my opinion, it is up to the Commission to keep the various committees which are responsible for investigating basic questions thoroughly informed, so that they are in a position to judge whether policy aims and their budgetary allocations are matched when the time comes for budgetary control. This is precisely what we have done in this case. I am happy to inform Parliament that next week we will be distributing a detailed breakdown of projected costs for the data-processing centre for 1982. We have in fact asked a firm of outside consultants — whose expertise is founded on experience of 200 firms or organizations of the same size as the Commission — to determine whether our proposals are the most efficient and rational and whether they make the best use of available funds. We have requested some 30 million units of account, and a breakdown of our requirements and an explanation of our objectives can be found in the document we have sent to the Council and which we will, of course, be submitting to Parliament. I feel that this step we have taken is along the lines advocated in the motion for a resolution

To turn to the question of management, you are surely aware of all the steps that have been taken to ensure that the data-processing centre is now run by a computer expert who has his own team to analyse cost effectiveness, so that the facilities can now cope with their huge task.

Thirdly, it is vital for the different Community institutions to share an overall and consistent policy with regard to data-processing. The Commission was the first to broach this subject at the European Council meeting held in Dublin. We have decided to take the

matter further and, without waiting for a reaction from the Council, we have written to each of the institutions — including Parliament, of course — suggesting that an advisory committee be set up without delay, so that the choices which are going to have to be made for the future can be exercised through this body. In this way, we will get an interinstitutional data-processing system which is efficient, which will make optimal use of Community funds and which will keep pace with the developments in European technology.

I hope that replies from the institutions will reach us soon so that we can set up this advisory body. In this way, it should be possible to avoid a situation where individual institutions take decisions which are not in keeping with the overall Community approach.

We are of course quite prepared to draw up the report which has been requested for the month of October.

I should now like to turn quickly to the problem of Ispra. Mrs Boserup expressed her fears — in a most touching manner — that the Research Centre was a leaky boat in danger of capsizing. I honestly do not think that things are that bad and we have certainly made some progress on the major problems.

Mr Kellett-Bowman wanted to know whether we were sure that we now had precise inventories of equipment for an outfit of this immense size. I should like to assure him that instructions have been issued and that the kind of records which he thinks are desirable will henceforth be kept for all equipment valued at over 250 ECU.

It should be pointed out that a research centre can only operate if it has a functional, by which I mean flexible, budget because one can never be sure whether a particular project will come to fruition and it does not make sense to open a new budgetary heading for this purpose. On the other hand, it is essential that the way in which the funds are being managed should be obvious to all. I have issued instructions that any transfer above a certain sum must be accompanied by a voucher warranting expenditure, to be submitted to the relevant technical committee and the budgetary control committee. In this way, transfers will be a normal part of accounting and not some kind of camouflage. I don't mind being criticized about the Commission's priorities, but not for the basic issues at stake.

Mr Kellett-Bowman also asked whether it was possible that Parliament might be able to avail itself of some of the statistical capacity at Ispra. I am sure that it will be, but the details will depend on the type of contract we will be concluding, because Ispra is not a technical assistance organization. If we can conclude a contract with Parliament under which we can be adequately compensated for the additional work we will be doing, we are quite ready to make precise and detailed



## Davignon

proposals to Parliament about how it can use our spare data-processing capacity. We will need to be compensated because we will have to take on extra staff for this work. But I am sure that a step of this kind will strengthen the ties between our institutions.

And now, Mr President, I should like to broach a subject which has nourished many rumours and which must be brought out into the open: I am referring to this building which Ispra is said to have had secretly built without regard to budgetary procedures.

What actually happened? As we did not have any clear rules about how to proceed, we found ourselves faced with conflicting approaches. The Commission suggested that such a building be constructed to house its administrative departments. This was approved by Parliament in 1979. I need hardly remind those present what happened to the 1979 budget. And from that moment on, we could not follow the budgetary procedure and we had to have recourse to transfers. The whole thing came to a sticky end because we did not manage to find a way of explaining ourselves. Having said that, I am in total agreement with the speakers who brought the subject up in order to point out that we have to be extremely clear and above-board where these questions of property and construction are concerned, and explain what is happening and show the various committees what has become of our policy during the actual budgetary year concerned. If we do this, the same problem should never arise again.

Finally, the motion for a resolution refers to an extremely crucial point, namely, staff mobility. This is a tricky area of major importance. It is important because the true capacity of research and development cannot be drawn on unless there is flexibility in a staff policy which is in keeping with development priorities. This is a tricky area because, as employers, we have responsibilities towards our staff. We have to give them the usual guarantees and we have to respond to their normal career aspirations. In this respect, the Commission is in a quite different position from that of a Member State, which can always re-assign its researchers to universities, firms or national departments. Our possibilities for redeploying staff when research contracts expire are much more limited. I would just like to reaffirm what I have already said to the committees: within the context of the 1982 budget, we will be making precise proposals to both the Council and the Parliament to help us find the right answers to this problem of mobility. These answers will have to take account of the need to promote research which meets the objectives we will choose, and at the same time they must be fair to the staff whom we employ.

Mr President, that is all I wanted to say about two matters which are not so vital as those to which you referred a short while ago, but which are nevertheless important as they set a good example for cooperation between the Parliament and the Commission for occasions when the problem to be tackled concerns both

technical budgetary questions and the requirements of Community policy.

I just want to make one last remark which is not specifically about budgetary control. In a field like that of research, you cannot judge efficiency according to the rate of expenditure. If we discover, during the course of a programme, that it is not going to turn out as we had hoped, there must be some procedure whereby we are not forced to spend our money unwisely simply because, at the end of the year, we want to be able to say that we have spent 90% of our budget according to the rules. We must have a procedure which enables us not only to monitor the percentage of expenditure, but also to verify that the money we have spent has been used effectively. For my part — and I think I have the backing of the Commission here — we are going to pay more attention to *how* money is spent than to how much is spent, just so long as the spending has not been held up by lack of will on our side. Where this is concerned, I can give you my personal pledge that everything possible will be done to achieve maximum efficiency in these areas.

(Applause)

**President.** — I call Mr Tugendhat.

**Mr Tugendhat, Vice-President of the Commission.** — It has been a long debate, and my speech was certainly one of the longest. But it is a tradition of this House — a good tradition — that there should be a wind-up at the end of debates, and for that reason, therefore, I will, if I may, impose a little further on your time in an attempt to answer or deal with some of the points which have been raised. I do not claim at the outset that I will be dealing with all of them. But I am, of course, and the Commission is, of course, at the disposal of Members of the Parliament, either through the committees or by means of correspondence to take matters further. The choice of course lies with the Parliament itself. But I will try to cover as many as I can.

I would like, however, to clear up one misconception at the outset. I never said, at all, and I would never say, that the Court of Auditors is wrong to criticize the Commission. Of course it is not, it is what it is there to do. What I said was that the Court of Auditors criticizes not only the Commission, but also other institutions including *inter alia* the Parliament, and indeed also was guilty of one or two of the breaches for which it criticized us, and I said that if one looks only at the criticisms, one is only seeing part of the picture. If one looks only at what is wrong, one is not seeing the other aspects of the picture. Please do not think that I criticize them for criticizing us. They have their job to do, and it is right that they should do it and I want that to be perfectly clear.

### Tugendhat

Then there was the point which Mr Key and Mr Notenboom both made, which concerned the fact that we have insufficient staff, and this is a point which I know Mr Aigner has been concerned with over a long period. We look to the Parliament to help us to rectify this point, as Members of this House will know. Our efforts to increase the number of our staff have come unstuck as a result of the budgetary upsets of recent years, and I hope very much that, this year, when the Commission has asked for extra staff for control work in the context of the 1982 preliminary draft budget, Parliament will give us the support that we need. Even with the additional staff, however, it will be difficult — as Mr Gabert, I think, recognized in what he said — for the Commission to reach a level of effectiveness that it would like. But certainly it would help if we had more staff.

Mr Key and Mr Notenboom — they seem to be bracketed, but who did deal with some of the same subjects — also drew attention to what they see as inadequate use of budget appropriations Mr Notenboom, who has been dealing with these matters now for a very long time, longer in fact than I myself, was right when he explicitly recognized that the problems which occur over the legal base are by no means the only problems. There are other problems as well. I would add that, as Parliament itself is responsible for the whole budget, I believe — and I have said this in discharge debates before — Parliament is wrong to attach so much attention exclusively to what happens on the amendments. Without in any way wishing to undermine the annuality of the budget, I really do not think that the only way to assess the effectiveness of the Commission's expenditure is by seeing whether it spends 100% of the appropriations in a given year or not. Mr Davignon referred to this point in his remarks a moment ago, and what he said was absolutely correct, and if he had not said it, I would have said it myself. It is easy to spend money. You just spend it. I have never had any difficulty spending money! The problem is actually spending it on the right thing and in the right way, and if we throw money at problems and do not exercise sufficient control and do not take account of the problems that arise, we will run into criticism from the Committee on Budgetary Control for spending it too freely and easily. There are occasions — and Mr Davignon pointed them out — when it is right sometimes to go a little bit slower.

Mr Colla asked if the Commission in the context of the 1982 budget procedure can give details of the implementation of the 1981 budget and my answer to that questions is, yes, we can — we will. I look forward to doing so. The best moment for me to do so would be in the traditional Notenboom debate in October.

Mr Aigner made a number of points, as indeed he generally does in these debates. He complained of a lack of information particularly about agricultural markets, which was indeed a point made by others in

the debate as well. He also spoke of press reports, some of which, I fear — and I have said so in the committee — have given inaccurate information and which have on occasion caused unjustified anxiety within the Committee on Budgetary Control. The press is, of course, free to say what it likes but I really do not think that the Committee on Budgetary Control needs to rely on the press. The Commission gives much information to Parliament, information which I must emphasize, in view of some of the doubts which are being cast upon it, is not inaccurate. It is as accurate as we can make it, both in relation to exports to the Soviet Union, where criticism particularly has been made, and on other matters.

Full information has regularly been given to the Committee on Agriculture and also to the Committee on Budgetary Control. In recent weeks, in fact, the latter committee, of which Mr Aigner is, of course, chairman, has had the opportunity to hear and to interrogate the Director-General for Agriculture, Mr Vilain. Had Mr Dalsager been available, they would of course have had further opportunities to interrogate him.

We are dealing with complicated matters and sometimes all the information is not immediately to hand, but I do want to emphasize in the clearest possible terms that in agriculture, as in other matters, we really do seek to be as accurate as we possibly can and if we find we have been wrong on something, or if we find that later information changes the picture, then we provide it. We do not try to make an *ex post facto* rationalization of what went before so I must really stick up for the accuracy of what we do.

I must also make it clear that with the best will in the world we really cannot accept some of the criticisms which have been made of our management of the agricultural markets. I was impressed by what Mr Früh and Mr Clinton both said in that regard. It is not always my task to speak up in favor of the management of the agricultural markets but I must say that I think that some of the criticisms that have been made have not been just and have been based on the fact that this committee and this House has a great deal of information after the event which at the time the decisions were made was not available. As I also emphasized in my speech, it is important to look not just at what happened in 1979, but at what happened in 1980 and 1981. I will not repeat all that I said about the way in which we have brought down the level of stocks and the cost of export refunds, but I really do think that the figures speak for themselves.

Finally, I turn to the comments made by Mr Dankert concerning disposal and surpluses, and especially milk powder. Again there is little that I can add to what I said this morning to the effect that refunds have been cut and stocks have been reduced and I believe that had we followed the policy which the Court of Auditors believes that we should have followed, we would

**Tugendhat**

now be faced with larger stocks and a more expensive export policy than is in fact the case now.

I see Mr Dankert shaking his head in disagreement. Obviously there can be more than one view on the subject but certainly for my part — and I am sure that if Mr Dalsager were here he would agree with what I am about to say — we are quite prepared to justify what we have done to the Committee on Budgetary Control or any other committee and to pit our judgment against that of other bodies who, with great respect to them, are not, perhaps quite as experienced or quite as expert in these fields as the Commission. One really must not, I feel, always assume that those who criticize are right and those who act are wrong. We are, no doubt, often wrong, but on this occasion we are prepared to match our expertise against that of others.

Mr President, I have tried to cover a number of points. I do not want to delay the House longer but, as I say, my colleagues and I are certainly prepared to answer further questions. We accept that there is room for improvement. We are grateful to the House for recognizing the areas where there has been improvement and while I am sure that this will always be a difficult debate, I hope that we will be able to mend our ways where that can be done and where the criticisms are justified.

*(Applause)*

**President.** — I call the Committee on Budgetary Control.

**Mr Aigner, Chairman of the Committee.** — *(DE)* I should like to make a few comments on what the two Commission members have just said. Mr Davignon, I am very grateful and, on behalf of the Committee on Budgetary Control, I would like to mention that you reacted very quickly to our visit to Ispra. The question of mobility is problem No 1, which we must continue to discuss because it is a very weighty problem. Termination of the ORGEL project in Ispra — which really is the problem — is more difficult than we all thought. I merely ask that the Commission concentrate on the termination of this project and that we keep discussing it.

You broached the problem of the building. I would mention that this House — Mr Bangemann was the rapporteur — even welcomed this building in our motion. But then we were faced with the strange situation, Mr President, that our motions did not get through the budgetary procedure because we rejected the budget.

We had to force the draft budget through against the wishes of the Council. And in such cases where we have the last word we expect from the Council to share our political will although it was originally

against this measure, just as we must unfortunately, when the Council has the last word, share its will.

It is just not possible, Mr Davignon, that flexibility of research — which we are all in favour of — is used to deviously carry out a motion which was rejected by the budgetary authority.

*(Applause)*

It is quite impossible. Flexibility in research financing is not intended for the purposes of secretly implementing motions which were rejected by the budgetary authority. This is what we are complaining about.

Moreover I should again like to mention that I think that you are a good partner for such discussions and that we should continue the dialogue.

A final word on what Mr Tugendhat said. I quite understand Mr Tugendhat that you defend the Commission. It is your job. Incidentally I did not use a single figure from the press but only those of the Commission itself, i.e. undisputed figures, the figures which the Commission itself supplied us with subsequently. You can't dispute them!

If this, however, is so then you must see to it that long established structures are abolished. As you yourself know because of the collective responsibility of the Commission not all members of the Commission can be fully informed about the difficult process of administering the agricultural regulations. Yet it is your duty to bring down long established, ossified, deeply entrenched structures if we prove that they cost millions of units of account extra. In all sympathy for your defence of the Commission, I must ask you finally to join in this brainstorming of the agricultural policy so that we can save the taxpayer what can be saved without placing too great a burden on European farmers.

*(Applause)*

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

The vote will be held at the next voting time.

## 2. *Commission statement on the iron and steel industry*

**President.** — The next item is the statement by the Commission on the situation in the Community iron and steel industry

I call the Commission.

**Mr Davignon, Vice-President of the Commission.** — *(FR)* Mr President, you will no doubt remember

### Davignon

that during the last part-session, following a highly interesting debate, Parliament adopted a series of positions on the restructuring of the iron and steel industry. It therefore seemed that it was up to the Commission to ask Parliament if it could make a statement today explaining what has happened in the meantime and to what extent the resolution has been implemented.

The resolution covers three main aspects, Mr President, and I should like to deal with them in the following order: firstly, restructuring problems; secondly, the accompanying social measures, and finally, problems relating to the market.

With regard to restructuring, Mr President, the report made a whole series of suggestions which, I am happy to say, the Commission has taken up in its new guide to aids which will be applicable to *all* subsidies in the iron and steel industry. This applies, whatever the specific purpose of such aid — whether on behalf of a certain region, to encourage investment, or to improve infrastructure — and in this way we hope that it will be absolutely clear where this money is going. We also hope that it will be clear that the authorization for such subsidies will depend directly on how far they promote restructuring in the iron and steel industry. It is evident that such restructuring will have to include an overall reduction in capacity, as the structural crisis with which we are faced is not yet over.

The documents containing this new guide to subsidies are currently being examined by the Council and have of course been submitted to Parliament for discussion.

This, then, was the first element of the three-pronged policy, or strategy, of the Community.

My second point concerns social measures. We all share the feeling — and Parliament has backed us up right from the start where this policy is concerned — that it was intolerable to appeal to Community solidarity only when difficult decisions had to be taken, such as when we needed to marshal out objectives for restructuring more rigorously, unless at the same time we were able to offer a spark of hope to the workers who would be affected by these restructuring measures. This meant not only helping those who would lose their jobs but also meant devising a positive training policy and creating alternative jobs.

As you know, we have been at loggerheads with the Council over this for two years now, but this time I think that the Council is cornered and cannot wriggle out of its responsibilities that easily. The Commission has in fact put a dual proposal before it: firstly, the 30 million EUA under the Social Fund budget should be earmarked for the ECSC as a start; secondly, on the basis of a decision pursuant to Article 235, this sum should be transferred from the Community budget to that of the ECSC. All this would be covered by the Commission proposal on the amending budget.

From now on, the situation will be quite straightforward and the Member States will not be able to complain that this means an overall increase in the budget. This proposal was well within the bounds of our priorities. We have thus deprived the Council of its first and foremost excuse for inaction. Secondly, we do not need any new legal machinery to enable us to spend this money because Articles 54 and 56 of the ECSC Treaty provide for such expenditure. That puts paid to the Council's second excuse. Thirdly, consultation with legal experts has shown that, unless we really want to get bogged down in thorny questions of principle, Article 235 allows us to transfer funds from the EEC budget to that of the ECSC, depending on the aim pursued. Consequently, at its meeting on Wednesday, the Council will be in a financial, legal and practical position to settle this question of providing funds for social measures to benefit steel-makers, a question over which it has been haggling for some time with the Commission and the Parliament. In passing, I should just like to say that we at the Commission have been very encouraged to see that a number of Members of this Parliament who have accepted posts in the new French Government have maintained in their own government the stand that they adopted when in this Parliament.

*(Applause from the Socialist Group)*

The upshot is that those who are hostile to the practical applications of this measure are now more thin on the ground and the second part of the three-pronged Community strategy will begin to come into force in 1981.

My third point is to do with the market, Mr President. We need to bring down prices within the Community to the level of those in America and Japan. We need to do this, because — no matter how great our attempts to restructure or to increase productivity — this monumental restructuring policy will founder if prices continue at their present levels. For, given the state of the market, we cannot allow ourselves to increase our prices, as too much steel is being produced. By this I mean that supply outstrips demand to such an extent that we have no choice but to keep our prices down. It is vital for us to balance supply with the level of demand. It was for this reason that the Parliament and the Commission wanted every effort to be expended to achieve a voluntary agreement among steel-makers, so that the responsibilities would no longer fall exclusively upon those whose task it was to run the industry properly.

Well, Mr President, what is the situation as we are about to enter the month of July? Taking the different categories of products in order, it is as follows: in the case of the first category, i.e. coils, agreement has been reached among all the steel-makers, with the exception of one, a very big producer who felt that our methods were not in his interests and was not willing to enter into a voluntary agreement. We have looked

**Davignon**

into this firm's claims and can say that they do not correspond to the facts. I should like to dwell on this for a moment because a number of inaccurate statements have been made. It has been claimed, for instance, that this particular firm is not able to benefit from the same utilization of capacity percentage as that of other European firms. I want to state — quite unequivocally — that this statement is incorrect. This mistaken view stems from the fact that the firm in question believes that its rolling mill has a greater rolling capacity than would appear to be the norm according to three unbiased studies that have been carried out. Now, if this firm thinks that it has a production capacity of 100 and we think that it has one of only 80, there is bound to be a difference of opinion as to the degree of utilization of capacity, depending on what basis you start from. Our basis — and I must stress this — is the same method which we have applied to all the other Community firms. So if we were to change our methods for one particular firm, we would have to change them for all the others which found themselves in a similar situation and we would end up with the same results. The firm I am talking about has such a large share of the market that coil production cannot remain uninfluenced by it. Therefore, as long as disagreement remained, the Commission was reluctantly obliged to suggest to the Council that the arrangements provided for under Article 58 should be retained for another year. The Commission obtained the agreement of the Consultative Committee and the opinion of the Council at the beginning of this month. Before requesting an opinion from the Council, we did of course take steps to inform the Parliament's Committee on Economic and Monetary Affairs, since at that time we were between two part-sessions

Where categories two and three are concerned, the Commission managed to obtain voluntary agreement among producers, as everyone was guided by a spirit of fairness and the need to operate with efficiency, and so here we will have a voluntary system of control. For the fourth category — wire rods — discussions are still under way and I hope we will reach agreement tomorrow.

Where categories five and six are concerned, that is, reinforcing bars and merchant bars, we find ourselves in a rather paradoxical situation. In what way is it paradoxical? I shall explain. At this moment in time, all the firms — whether large integrated undertakings, small or independent medium-sized undertakings, or firms which use electric ovens to make these products in northern and central Italy — all of them, I repeat, are asking us to retain the provisions of Article 58, whereas previously, one group wanted Article 58 to be retained and the two others did not. Today, all the groups are in favour of retaining Article 58. So we are in a paradoxical situation because everyone seems to think that the quota he has been allowed is sufficient to make a living. Now then, if everyone agrees about the quotas, why can't we achieve a voluntary agree-

ment? What is the explanation for this? The explanation is that, without a binding agreement, the producers do not trust each other to stick to the quotas, nor do they trust themselves to resist the temptation to exceed them, and for this reason, they have asked the Commission to uphold the system on which they *do* agree, and to make it binding. Faced with this paradox, the Commission has not yet defined its position and intends to discuss the matter with the Council at its meeting on Wednesday to see what its reactions are. Should we just go on applying Article 58, or should we attempt to reach voluntary agreement even if it means we have to revert to Article 58 later? We have not yet come down on one side or the other, as we are still weighing up the pros and cons.

I have given an account of the various elements in our three-pronged strategy, Mr President. The first element is a transparent code governing subsidies, with rules for degressive aids which will enhance solidarity and at the same time make our industries competitive in the real world. Secondly, there are opportunities for developments which avoid mere restrictions or reductions. Thirdly, where the market is concerned, we have a mixture of voluntary and binding measures based on agreements involving the cooperation of both the Member States and firms.

Mr President, I have completed my summary of the Commission's current strategy and of the developments which have occurred since the last part-session of Parliament. The Commission has availed itself of this special opportunity to send me here today on its behalf to give you this information and these explanations for political reasons, as we are well aware of Parliament's keen interest in the iron and steel industry.

*(Applause)*

**President.** — As you know, under Rule 40, Members may put brief and concise questions with a view to clarifying specific points in the statement.

I call Mr Wagner.

**Mr Wagner.** — *(DE)* Mr President, I have been informed by the Chairman of my Group that there are three minutes' speaking time available for a brief statement, so I am prepared to comply with this. Naturally, I could, in order to be in line with what you have just said, put a question mark at the end of my remarks. I shall therefore keep very closely to the three-minute limit for speaking time and my fellow Members can then put other questions. I assume that you agree with this . . .

**President.** — I am sorry, Mr Wagner, but under the Rules you can only put a brief and concise question and under no circumstances could a three-minute statement be regarded as brief, concise or a question.

**Mr Wagner.** — (DE) . . . I thank you for having clarified this point and shall therefore ask questions.

Mr Davignon, on the problem of alternative employment for steel workers, we would like to hear what concrete measures and suggestions the Commission wishes to put to the Council for creating such employment in the steel regions concerned by making additional funds available and taking measures simultaneously and on the same scale.

Second consideration and second question: with regard to the measures to be taken in the social programme, will the Commission ensure — and manage to get it accepted by the Council — that, under the measures for abolishing grants and converting them into restructuring measures, funds are used for measures for reducing working hours, such as those proposed by the French Industry Minister, and for lowering the retirement age for steel workers to fifty-five?

Third question: has the Commission seen to it, within its own sphere of competence — you said nothing about this, even though we have already discussed it in the Committee on Economic and Monetary Affairs — that, in addition to the research and development programmes which are already under way in the steel sector, a medium-term special investment programme for research and development in favour of those steelworks and steel regions which are now undergoing restructuring is instituted — either by the Commission or by a coordinated programme between the governments with the help of the European Community? I feel that this is very important, and so does my Group, so that these regions are no longer condemned to bleed to death and that they too enjoy a development which is geared to the future.

My last question, and I would be grateful to you, Mr President, if you would take this as a question since I am putting a question mark and an exclamation mark after it. In the last two days, there have been high-level, important and significant visits to Europe by the Japanese. I think it is essential that the Members of this House should not have to glean today and tomorrow from their newspapers what basic points were discussed with the President of Japan, Mr Suzuki, and the Trade and Industry Minister, Mr Tanaka, and I would like to ask you, Mr President, if Mr Davignon might be given an opportunity after the steel debate to give us some brief information on the outcome of these talks. I feel that this is extremely important and I set great store by it

**President.** — I call Mr Franz.

**Mr Franz.** — (DE) Mr Davignon, would you confirm that experts have suggested to the Commission that it should carry out an output survey in the steelworks

you mentioned, and could you tell us why you have not approved such an output survey, which was to serve as a basis for fixing quotas?

Could you confirm the news item which appeared in the German press the day before yesterday, that Commission Members have stated that the output survey will not be carried out because the Commission is convinced that it would produce findings favourable to the German steelworks in question and this would mean a redistribution of quotas with the difficulties that would entail?

Mr Davignon, have I understood correctly that you are of the opinion that, with the production surpluses in the European steel industry, the redistribution of quotas cannot in the medium and especially the long term be a solution to the European steel crisis? Have I understood rightly that you are of the opinion that outdated, uneconomic steelworks in Europe ought to be closed down, so that modern and efficient works can be used to greater capacity? On this point could you be rather more specific about how you envisage the details of such an undertaking?

**President.** — I call Miss Forster.

**Miss Forster.** — Mr President, I hope you will be as lenient with me as with the previous two speakers about what constitutes a question because, if I may say so, I think it is absolutely monstrous that on a statement of this importance we are not allowed to comment and to ask sensible questions in the proper way with a speaker from each group. So I will do my best to put my comments in the form of questions because I do welcome Mr Davignon's very clear and excellent statement on this. I would ask him if he did not agree that the suggestion that the Council should approve the use of 30 million units of account from the Social Fund towards redundant steel workers is not one of the most important decisions that is to be taken by the Council, that it is long overdue and that this House should support it in every way.

On the marketing side and the use of Article 58, we in this Group do not like Article 58 because it leads to interference and restrictions on the activities of individual firms. But if it is to be used then we hope we are going to get the plus values. We hope that we are going to get some sense in the market-place and we hope that restructuring is going to proceed in the right way.

Can I therefore ask whether in category I he is going to base the quotas on coils or whether perhaps basing the quotas on derived products might get over some of the difficulties with one particular company.

We welcome the fact that in Categories II and III voluntary arrangements have been reached and in

**Forster**

Category IV — which has now become IV, V and VI — I would like to ask whether, in the sector of wire rods, if voluntary arrangements which will work cannot be reached, Article 58 will be imposed in line with the previous Council decision?

Finally, Mr President, may I ask whether it is planned to make use of Article 60, because I understand that it is in prices that this regime which has been in force for the last year has not really worked as well as it should have done. Is the Commission going to impose a stricter control on prices and, if so, what means is it going to employ to do this? Will the Commission, Mr President, please report back to us in July because at each session of this Parliament, through no fault of his own, Mr Davignon has had to give a sort of temporary statement and said that negotiations are still proceeding? As the existing regime ends on 30 June, is he going to provide some transition period for firms to adapt to whatever new regime is agreed?

**Mr President.** — I call Mr Bonaccini.

**Mr Bonaccini.** — *(IT)* Mr President, we have already had the opportunity to debate the iron and steel industry here, and other problems have been tackled in committee. I can therefore confine myself to putting a single question to Mr Davignon. In fixing the obligatory quotas — those which relate to the category of coils — was account taken of the four needs which are regarded as important: the level of modernization of plant, the internal consumption dynamics of each country, the relationship between consumption and production within each country and the national trade balances?

**President.** — I call Mr Gautier.

**Mr Gautier.** — *(DE)* Mr Davignon, I have four short questions. Firstly, when does the Commission intend to apply Article 61, or if not, why not?

Secondly, would the Commission regard Article 61 as sufficient legal basis for supervising the fixing of prices by dealers who are members of groups and independent dealers?

Thirdly, does the Commission have a table of all direct and indirect aids from Member States? If not, why not? If so, can the Commission make this table available to Parliament?

Fourthly, has the Commission a clear definition of the concept of capacity, and if so can it apprise us of it?

**President.** — I call Mr Hänsch.

**Mr Hänsch.** — *(DE)* Mr Commissioner, you informed us that the Commission is proposing an aids

code based on only two criteria — absolute transparency and authorization for restructuring measures linked to needs.

Can you perhaps give us some additional criteria for future aids, and, since you mention transparency, does this transparency include a survey of existing aid practice in the European Community? In other words, are you prepared to submit a report on aids to us?

To the extent that restructuring with the aim of reducing capacity is intended, according to what criteria and priorities will you decide upon it — in other words, does the Commission intend to present a restructuring plan so that these necessary measures in Europe can proceed in an orderly way?

**President.** — I call Mr von der Vring.

**Mr von der Vring.** — *(DE)* Mr Davignon, I have two questions.

You spoke in very severe terms about one German steel undertaking. However, I would ask you whether you do not share my opinion that the quota rules of the Commission are not entirely applicable to the special problems of this undertaking. If you do share it, do you see any way of reaching a compromise with this undertaking?

Secondly, you said that the Commission had adopted all the proposals contained in the Friedrich report on restructuring. Does that also apply to the shutdown premiums for obsolescent undertakings proposed therein?

**President.** — I call Mr Griffiths.

**Mr Griffiths.** — A specific question considering restructuring in the United Kingdom: I wonder if Commissioner Davignon could clarify comments from the Commission reported in the British press at the end of May to the effect that one United Kingdom steelworks, that at Port Talbot, which has already had its productive capacity halved is in fact being mothballed under plans deposited by BSC with the Commission? The comments were made by Commissioner Andriessen.

**President.** — I call Mr Kappos.

**Mr Kappos.** — *(GR)* Mr President, I wish to put two questions.

Firstly, have there been discussions with the United States with a view to the lifting of restrictions on imports to the United States of iron and steel products

**Kappos**

from the EEC and, if so, what were the results of the discussions?

The second question relates to Greece. The only blast furnace which existed in Greece has already ceased to operate. Quite a lot of workers have been made redundant in the iron and steel industry and further redundancies are expected.

The question I would like to put is whether the Commission intends to tackle the practical problem, namely that Greece is the only Member State in which the iron and steel industry is going through a period of transition and that it is necessary at long last to create at least the minimum basis required for the iron and steel industry.

**President.** — I call Mr Delorozoy.

**Mr Delorozoy.** — *(FR)* Mr Commissioner, one of my colleagues who spoke just now expressed satisfaction that the French Minister for Industry had proposed a reduction of working hours for steel workers and the lowering of the retiring age; a revival of French steel production has even been envisaged — that was not said, but I add it myself. I would like to know if this new approach seems to you to be compatible with the needs of a more competitive industry and with the drawing-up of a coherent restructuring programme for the European Economic Community, which alone will enable us to overcome the problems of iron and steel production in the long term.

**President.** — I call Mrs Hoff.

**Mrs Hoff.** — *(DE)* I would like to clarify the second question put by Mr von der Vring. It related to shutdown premiums for obsolescent undertakings, i.e. premiums for industrialists who have neglected to modernize their plant at the right time through the necessary investment. How, that is, to what extent and from what budget, are these shutdown premiums to be paid?

**President.** — I call Mrs Lizin.

**Mrs Lizin.** — *(FR)* Mr President, I would like to put two questions to Mr Davignon:

How is he going to reply to the requests made by some governments relating to the necessary flexibility and modification of the time limits to be set for authorization of the aids before the creation of the financial equilibrium necessary to iron and steel undertakings? Will he adapt or modify the rigid position adopted by the Commission on this matter?

Secondly, in view of the rules which he has set himself, how does he now assess the proposals submitted to him by the Belgian Government on the Cockerill-Sambre merger?

**President.** — I call the Commission.

**Mr Davignon, Vice-President of the Commission.**

— *(FR)* Mr President, I am impressed by the no-nonsense approach adopted by the Chair. While I am willing to admit that Commissioners sometimes have a weakness for long speeches without questions, I am afraid that, on this occasion, I am unable to lump all the questions together and I would ask for your indulgence as I reply to each speaker in turn.

Mr Wagner asked me about the new social measures. What is new about our priorities for the creation of new jobs? As he already knows, there is a coordinated plan to make use of all the Community instruments: we can grant subsidies to create jobs outside the iron and steel industry, and we can grant others in the context of our social programmes to aid training and to achieve the necessary manpower. The Commission has not however concluded that a more specific aid scheme should be introduced every time new jobs need to be created. We already have sufficient scope for action with the provisions of Articles 54 and 56.

Your second question concerned early retirement. We already reimburse firms for pensions of this kind and we will continue to do so, but the guidelines will be set out more clearly and precisely. As an additional measure, we should also like to aid firms with their short-time working payments for a little while, as long as the crisis is still at its height. Thirdly, we are trying to encourage investment in firms which are attempting to improve their production capacity. To some extent, we are already doing this with our general loans policy and our particular policy on loans with an interest rate subsidy, and that is why we have decided to limit interest rate subsidies to investments which promote the saving of energy, as in this way we hope to promote new technology. We have yet to see whether we can go beyond this. Mr Wagner's last question was a general one, which did not specifically concern the iron and steel industry, namely, what progress had been made in talks between the Commission and Japan? Mr President, I leave it up to the Bureau to decide whether or not I should talk about this. I have indeed taken part in the talks, both with Prime Minister Susuki, all day yesterday, and with Mr Tanaka on Tuesday evening. Some interesting points emerged from these discussions but it is up to Parliament to say whether it wants me to give an account of them on behalf of the Commission as, strictly speaking, this does not really enter into the debate on the iron and steel industry.

Mr Franz asked me whether I agreed with him on a certain number of points, but I am afraid that I have



## Davignon

no choice but to confess that I do not agree with him on any of them. First of all, he asked me whether the Commission asked a firm if it could test its capacity, and whether its capacity would be calculated on the basis of results from such a test. Well, this is not quite the case. The Commission said that — since firms had quotas — if they wished to demonstrate their productive capacity they could do so by fulfilling all their quotas in six weeks or two months, however they wished. Secondly, it has never been the case — and I mean never — that we decided that we were going to calculate quotas for the steel industry after we had asked firms to work to optimum capacity for three months. That would be putting the cart before the horse. It never occurred to us to calculate things in this way. As for the firm to which you referred, I should like to add that it increased its share of the market under the Commission's arrangements.

Thirdly, the way in which we calculate quotas was the subject of lengthy discussions with firms. A number of statistical data are used in these calculations. I am also replying to Mr Bonaccini's question now. On an economic level Mr Bonaccini is quite right to raise the four points which should be taken into consideration. We had to cut our cloth according to the width. Our prime aim was to put firms into the best possible position. That is why we based our calculations on the firm's 12 best months of production, which were selected from a three-year reference period, thereby excluding the influence of strikes, or technical problems or problems of supply. This basis was accepted by all firms — with the acceptance of one — and also by the national governments. No further proof is needed that everyone agreed that this manner of proceeding was the correct one. With regard to restructuring, Mr Franz would like the Commission to agree that this should not be done through the application of quotas. With all due respect, I should like Mr Franz to take another look at the statements I have made to Parliament. The Commission has persistently said during the last four years that the quota system was no solution to the problem of restructuring the steel industry. On the contrary, the solution lies in adapting productive capacity to render it competitive. We also say that, given the excess capacity of some parts of the European steel industry, it is not enough just to close down the obsolete firms. Throughout Europe, we are obliged to bring a halt to the activities of plants which have not yet depreciated and whose technical capacities are still reasonable. Miss Foster was quite right when she said that the contribution from the Social Fund was one of the most important decisions to be taken as part of this process.

As for Article 60 — and this is referred to in the resolution adopted by Parliament — the Commission has made a whole series of proposals to the Council with the aim of stepping up price controls and getting the arrangements to cover dealers so that they are under the same obligations as producers. This would mean that dealers would be obliged to sell at the price rates

listed and would not be allowed to make discounts. We have established dates for the implementation of these new rules which vary according to the products concerned, so as to allow time for the necessary adaptations to be made and we have done this with the agreement of both dealers and producers. I think that that more or less answers Mr Bonaccini's question.

Mr Gautier put a number of questions relating to the fact that we have refrained from fixing minimum prices. This is covered by Article 61. We finally decided against minimum prices because we wanted to raise the price of steel in stages and the best solution was to do this by restructuring producers' lists. Accordingly, we have obliged producers to restructure their lists so that, from the point of view of the market, it seems that all the firms have taken steps to this effect. Having said that, Article 61 is an excellent statutory basis for taking supplementary measures, and we may well have recourse to it in the future, just as we have in the past when we established minimum prices for merchant bars.

Finally, where capacity is concerned, it is extremely difficult to hit upon criteria which are acceptable to everybody. We will be quite happy to divulge our ideas on this subject to the Committee on Economic and Monetary Affairs at some point in the future. But it will never be possible to devise a model which will enable us to determine capacity in an abstract way. For, depending on circumstances, the same continuous casting ordered from the same producer and installed by the same engineers may nevertheless be processed by highly diverse operations. So what figures must we base our judgements on? This is one of the greatest technical brain-teasers of all the problems facing the steel industry and explains why there is no one system which is accepted by everybody.

In reply to Mr Hänsch's questions, the Commission's proposals are to be found in the new guide to subsidies which we have submitted to the Council. The transparency of such subsidies should be guaranteed from now on, no matter where they originate. The subsidies are calculated on the basis of a date in 1976, not 1981. No subsidy is granted unless, at the same time, a restructuring plan has also been submitted to the Commission. The Commission has suggested a new scheme to the Council whereby aid would be given to any firm that was closing, provided that the aid concerned would contribute to the creation of new jobs. We are still waiting to hear the Council's views with regard to these suggestions.

Now I turn to your question, Mr Griffiths. I just want to say that the Commission does not itemize British Steel's restructuring plans. As far as the Commission is concerned, the British Steel restructuring plan is an overall plan by means of which the British government informs us of British Steel's intentions for all firms in the United Kingdom, and we adopt a position on this whole package. It is not up to the Commission to

**Davignon**

decide what ought to be done in one place or another. That is the Commission's position, and the United Kingdom Government was informed of it in writing three weeks or a month ago.

We have been in touch with the United States, and discussions are under way. A delegation will be going there next week. I should like to add that exports from the Community to the United States rose considerably in April and May, and thus regained their customary level.

With regard to Greece's particular problems, I should like to point out to Mr Kappos that Greek steelmakers are among those in the Community who have not used up all the quotas accorded them by the Community pursuant to Article 58. This fact must be broadcasted. Secondly, we are in the process of examining the special problems of Greece with Greek steelmakers. We are not doing this because Greece is still in the transition stage, since the documents concerning the accession of Greece do not say anything about a transitory period for Greek steel-making, but because, for the moment, we do not have statistics for Greek firms in the way that we do for all other firms, as they are the first ones not to be subject to the obligations of the Treaty.

The Commission proposals on market regulation for 1981-82 were endorsed by the French Government, since the latter party subscribed to the opinion given to the Commission to pursue measures taken in accordance with Article 58. Where social measures are concerned, the French Government supported the Commission proposals, such as I outlined them a short while ago when replying to one of the previous speakers.

Mrs Hoff would like to know, how would we finance closure payments. This is one of the questions which is currently under discussion. Naturally, we do not have any intention of using the Social Fund for this purpose — as we did for the social measures — but, rather, we will be turning to the ECSC funds with a supplementary contribution from industry, if necessary.

To answer Mrs Lizin, the Commission has not changed its proposals to the Council where subsidies are concerned and has no intention of changing them as things stand at present, because discussion has not got very far on this topic and we feel the questions which have been put to us may well find solutions within the system as it has been devised. The restructuring programme submitted by the Belgian Government and communicated to the Commission about fifteen days ago is now in the process of being studied by the Commission. As Mrs Lizin is aware, however, the Commission has already commented on the possible value of a merger of firms in Liège and Charleroi as this would be likely to create better conditions for industrial cooperation in the future.

I omitted to answer one of Mr Hänsch's questions, as to whether we were seeking industrial solutions to stabilize production and to find new markets. We are still having talks with German firms, as with others, to clear up any remaining difficulties.

Mr President, I have tried to answer this barrage of questions to the best of my ability.

IN THE CHAIR: MR KATZER

*Vice-President*

**President.** — I call Mr von der Vring.

**Mr von der Vring.** — (*DE*) Mr President, the Commissioner has already — albeit to the wrong address — substantially answered my question at the end of his speech. I would only like to ask him whether he can state in all frankness that he accepts in principle Parliament's proposal for shutdown premiums?

**President.** — I call the Commission.

**Mr Davignon, Vice-President of the Commission.** — (*FR*) All I can tell the honourable Member is the real situation — that the Commission has made a proposal to the Council, in the context of its restructuring strategy, that the technique of shutdown premiums be used in the conditions which I indicated. The Council has not yet taken a decision on this proposal.

**President.** — I call Mr Delorozoy.

**Mr Delorozoy.** — (*FR*) Mr President, Mr Davignon lost the thread of my speech, although this is quite understandable in view of the number of questions which he was kind enough to answer. I would therefore like to repeat briefly what I said just now.

One of my colleagues expressed satisfaction that the new French Minister for Industry is simultaneously proposing a reduction in working hours, a lowering of the retiring age and a revival of iron and steel production in France. I would like to ask Mr Davignon if that seems to him to be compatible with the need for a more competitive iron and steel industry and with the drawing-up of a coherent programme in the context of the European Economic Community, a programme which he is trying himself to create, and which alone will enable us to overcome the problems in the iron and steel industry.

**President.** — I call Mr Wagner.

**Mr Wagner.** — (*DE*) I would like to thank you very warmly and make two brief remarks. First I would like to thank Mr Davignon for agreeing to report briefly to Parliament on the important results of the talks with the Japanese Prime Minister and the Japanese Trade and Industry Minister.

In relation to the question put by my colleague Mr Delorozoy, which is itself undoubtedly related to the discussions in the Committee on Economic and Monetary Affairs, I would like secondly to thank you, Mr Davignon, and your colleagues, for being always ready to pass on information to us and prepared for a permanent dialogue. I would like to do so officially, and it is no truism. Cooperation between the Parliament and the Commission functions well in the committee, and we wish to continue this in the interests of the public and of the industries affected by the crisis. But when does the Commission intend to adopt the proposal of Parliament and follow the examples of the new French Government — the Council of Ministers took a decision on the matter yesterday — and of the German Government by drawing up programmes with interest rebates to encourage investment particularly in medium-sized and small undertakings and in the public sector, so that we can emerge from the tunnel of economic difficulties and take measures to counter escalating unemployment and against the exceedingly damaging high interest rate policy of the USA?

**President.** — I call the Commission.

**Mr Davignon, Vice-President of the Commission.** — (*FR*) Mr President, I had understood Mr Delorozoy's question perfectly, but had tactfully tried not to reply to it, and I am now obliged to do so.

What the Commission heard from the head of the French delegation to the Council at the beginning of June does not conflict with the aims of the Commission.

Mr Wagner asks me about Japan, on which I can say nothing at this stage, as long as Parliament has not decided on its agenda. He goes on to consider overall questions of economic revival with a view to a more aggressive development strategy.

Mr President, in the context of this debate I cannot answer this question, with which we are concerned in our work on the 30 May mandate. During the forthcoming debate on the Commission's economic guidelines and economic report, Parliament will have the opportunity — and it will be able to take the iron and steel question as an example — to decide whether the measures which the Commission proposes to take answer the concern expressed by Mr Wagner, which is shared by the Commission.

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

### 3. *Taxes on manufactured tobacco*

**President.** — The next item on the agenda is the second report (Doc. 1-871/80/II), drawn up by Mr Beumer on behalf of the Committee on Economic and Monetary Affairs, on

the proposal from the Commission of the European Communities to the Council (Doc. 1-328/80) for a directive amending Directive 72/464/EEC on taxes other than turnover taxes which affect the consumption of manufactured tobacco.

I call the rapporteur.

**Mr Beumer, rapporteur.** — (*NL*) Mr President, at the last plenary meeting, we were presented with a report from the Committee on Economic and Monetary Affairs recommending rejection of the Commission's proposals on the harmonization of taxes on tobacco. As a result of this, Article 35 of the Rules of Procedure applied, an undoubtedly significant occurrence from the procedural point of view. Article 35(1) says that if a proposal from the Commission fails to secure a majority of the votes cast, it is up to the President to request the Commission to withdraw its proposal before Parliament votes on the motion for a resolution. That did not in fact happen. The Commission did not withdraw its proposal. In such a case, Parliament may decide to refer it back to the committee concerned, which is precisely what happened last time. However, the second indent of Article 35(3) says that, in this case, it is up to the committee in question to report back to the House within a month. That is what I should now like very quickly to do, Mr President.

The Commission has meanwhile submitted a proposal to the Committee on Economic and Monetary Affairs constituting a compromise which has been discussed by the committee.

Article 35 of the Rules of Procedure has in fact resulted in better consultations and that is in itself a positive element. The fact that the compromise has not yet received the approval of the Committee on Economic and Monetary Affairs does not alter that fact.

What then are the central doubts still held by the committee? We have our doubts as to whether the current basis for harmonization is sufficiently neutral from the point of view of competition. The Committee on Economic and Monetary Affairs would like to have this aspect investigated before we can give our agreement to further proposals in the field of harmonization. I must also make the point that the Commission too expressed the same doubts in the explanatory statement on its own directive, but drew attention to

**Beumer**

the Council decision of 1972 laying down the basis. The Commission's compromise boiled down to a limited proposal on the continuation of harmonization providing for an investigation to be carried out in the meantime. The Committee has decided, however, that the investigation should be carried out beforehand, and that the nature and extent of any further harmonization should depend on the results of this enquiry.

Our conclusion, Mr President, is therefore that the Committee on Economic and Monetary Affairs stands by its report recommending rejection of the Commission's proposal, and that is what we hereby propose to this House.

**President.** — I call the Commission.

**Mr Tugendhat, Vice-President of the Commission.**

— Mr President, I have listened with great care to Mr Beumer's speech. Naturally I regret that the Committee on Economic and Monetary Affairs does not feel able to endorse the modifications to the Commission's original proposal, which I had indicated we were willing to make. I also regret the delay which would occur in the process of harmonization in this field if Parliament were to decline for the time being to deliver an opinion.

None the less, it is clear that there are considerable reservations within the Parliament about our proposal for the third stage of tobacco tax harmonization. My impression, however, is that the reservations of honourable Members are often diametrically opposed. Some see our proposal as going too far in one direction, while others think that it goes too far in the other direction. Moreover, although there have been some references in the discussions in the Committee on Economic and Monetary Affairs and in Mr Beumer's original report to the general outline of an alternative approach to this problem, I cannot help but wonder whether it would be easy to secure agreement in the Parliament to its specific implementation, particularly when it comes to deciding on precise figures.

All that considered, however, and in view of Parliament's reservations and in the light of the views which have been expressed, I accept that a thorough and wide-ranging study of this whole subject would be useful. The Commission will therefore be prepared to undertake such a study, which we shall submit as soon as possible. It would be our assumption that when the conclusions of that study are ready, Parliament would deliver an opinion without further delay. If Parliament agrees with this approach, the Commission will inform the Council of its intentions so that the Council may refrain from taking up the matter in the meantime.

Obviously my words today, Mr President, will be recorded in Parliament's official report, but in view of the importance of the matter and of the particular involvement of the Committee on Economic and

Monetary Affairs. I should also send my statement as a formal communication to that Committee as well, if this procedure is acceptable to the House.

**President.** — I call the Committee on Economic and Monetary Affairs.

**Mr Moreau, Chairman of the Committee.** — (FR) Mr President, Mr Commissioner, ladies and gentlemen, as Mr Beumer has said, it is our committee's wish to have a study made before we reach any decision on the questions which underlie the Commission's proposals. What Mr Tugendhat has just said is reassuring, though, and is to a certain extent completely in line with what the committee is calling for. As I understand it, the directive is to be withdrawn, and that is something the committee can be glad of.

The undertaking which we can give is that as a result of the discussion we had at the last committee meeting, we have decided to make some headway and try to achieve some harmonization, using the Commission's study as a basis. I am fully aware that some members of the committee may interpret this differently and have reservations. The fact is that there was a majority in favour of calling for further information about the market and finding out why the Commission was speeding things up.

Because of this, I believe that after Mr Tugendhat's speech the committee is quite satisfied and that we will be able to work with all haste when your study has been made available to us.

**President.** — I call Mr Hopper.

**Mr Hopper.** — Mr President, as the subject has been discussed at great length both in plenary sitting and in committee, I propose not to speak, but I would like to make a point of order.

First of all, I think it is important that this Parliament should know exactly what is going on. This is the first time Rule 35 has been applied, and I should like to hear from the rapporteur what he believes the precise situation is. If the Commission has withdrawn its draft directive, then presumably the report falls and there is in fact nothing before the Parliament. If, however, the Commission is leaving its draft directive for the time being in suspense, and I see the Commissioner is nodding, then it still lies before the Parliament and I believe it would be the wish of the chairman and the rapporteur and the members of the committee that it now be formally referred to the Committee on Economic and Monetary Affairs. If that is being done, it could be done under either Rule 35 or Rule 85, and really the rapporteur should tell us which he prefers.

**Hopper**

If I may make one other reference to the Rules, I welcome the Commissioner's statement that his present statement will be an official communication to the Parliament. As I said before, this is the first time that Rule 35 has been applied. We are setting precedents which may be of enormous importance in the future: indeed, in some ways we are interpreting the Rules as we go along. I should like to make an observation on the basis of the discussion in committee, where we found the Commissioner's attitude extremely helpful. It is difficult for the committee to discuss what in English is known as a contingent proposal — if you would agree to something, we would make it an official proposal — and in future it would be helpful if proposals from the Commission could be given in written form as official communications, so that when the study eventually came from the Commissioner — and I hope that will be in a month or two — if as a result of that study the Commission desired to alter its draft directive, then not only the study but also an amendment were submitted to the President of the Parliament as official communications for passing on to the chairman of the committee.

In conclusion, Mr President, may I congratulate both the Commissioner and the rapporteur for the excellent work that both have done in seeking to produce a solution acceptable to the Parliament. If the Parliament is to achieve a greater role in the legislative process, which I think we all desire, it can only be done with the good will and support of the Commission.

**President.** — I call the Commission.

**Mr Tugendhat, Vice-President of the Commission.** — Mr President, I am grateful to Mr Hopper for his kind remarks. I am very pleased that Mr Beumer and I have been able to work out this proposal. It has been a joint effort between us, because, as Mr Hopper says, we are in rather uncharted waters at the moment. I wish to confirm, so that there can be no misunderstanding, the point which I made in my speech, that the proposal is, as it were, in suspense. It is not withdrawn, but we are not pressing ahead with it until after this work has been done. I think it is important to make that clear.

**President.** — I call Mr Martin.

**Mr Martin.** — (FR) Mr President, when we last discussed the harmonization of taxes on tobacco products in May, my colleague Henriette Poirier spoke of our total opposition to the European Commission's proposals, whose only effect would be to make worse the difficult position in which French tobacco growers and our nationalized industry already find themselves.

The measures taken by the Community in 1976 under pressure from the multinational firms, and for their benefit, have already resulted in a sharp decrease in consumption of Community tobacco and a rapid growth in imports — imports which, I would add, show no consistency with the Community preference scheme.

In France the SEITA has been broken up by a change in its constitution and the introduction of private capital. The consequences have been particularly severe for growers, whose numbers have been reduced considerably with the fall in area under cultivation, for production employees and for our external trade with the increase in the deficit.

The only effect the Commission's proposals will have is to broaden the offensive against our own tobacco industry to the exclusive benefit of what we might call 'the Virginia mob', in other words the four big multinational firms British American, Philip Morris, Rothmans and Reynolds.

We are delighted that the Commission is reassessing its position. We agree with the Beumer report in calling for the status quo to be maintained as regards harmonization, but we are also proposing that we should go further and implement measures which will redress the balance in favour of our own tobacco growers and nationalized industries, particularly by instituting a tax on manufactured products which is charged on the profits of multinational firms according to the amount of Community tobacco they use. That would have the double advantage of having Community preferences respected and of giving the Community new resources.

**President.** — I call the rapporteur.

**Mr Beumer, rapporteur.** — (NL) Mr President, I think it perhaps worthwhile my making a few additional remarks, in view of the fact that this is the first time we have ever applied Article 35. I should like first of all to express my appreciation for the statement made by Mr Tugendhat, which I see as a continuation of consultation, but with the additional offer — following on from the essential request put forward by this House — that we should wait for the results of the basic study before we can — we hope — give our approval to the Commission's proposals. As Mr Hopper rightly said, this leaves open the opportunity for the Commission to come up with amendments next time both before and after the debate in this House.

I am pleased to note that the Commission is now prepared to hold discussions on the basis for harmonization formulated by the Council in 1972. This testifies to a more independent attitude on the part of the Commission than we have been accustomed to.

**Beumer**

I also note that the Commission wishes to leave its own proposals in abeyance pending the outcome of the present study, and will notify the Council of this fact. I also note that the Commission is prepared to submit the results of its study as quickly as possible to this House in the form of a formal communication. That being so, the Commission likewise has a right to expect this House to come up with a final decision as quickly as possible to enable a decision to be taken in turn by the Council.

Mr President, bearing in mind the remarks made just now, I think it right for this House not to take a final, negative decision on the Commission's proposals, which would be the case if we were to adopt this report. This is the right attitude to adopt inasmuch as Parliament may change its mind and amend the report as such as a result of the study in question. I would therefore ask you to refer the report back to committee pursuant to Article 85, which seems to be more suitable than Article 35, on the grounds that we should otherwise have to resume discussion from scratch at the next plenary sitting.

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

**Mr Patterson.** — Mr President, I am sorry to rise on a point of order, but it does concern the question whether the matter is now going back to the committee under Rule 35 or Rule 85. It does not matter a great deal which, except insofar as you, Mr President, are going to rule on the matter, and what you rule now will be the precedent for all further occasions when a reference has been made under Rule 35. If you accept what Mr Beumer says — and it does seem to be the best thing — this, I suggest, should be recorded and appended to the Rules of Procedure in italics as one of the first major precedents we have set.

**President.** — Your assumption is correct. I would like to associate myself with what the rapporteur proposed and at the same time to place this on record. The report is thereby referred back to committee.

The debate is closed.

<sup>1</sup> The following oral questions were included in the debate:

— *Oral question with debate*

(Doc. 1-218/81) by Mr Ruffolo, Mr Didò, Mr Zagari, Mr J. Moreau, Mr Arfe', Mr Van Minnen, Mr Linkohr and Mr Lezzi on behalf of the Socialist Group to the Commission of the European Communities on the establishment of European development organization

— *Oral question with debate*

(Doc. 1-232/81) by Mr Muntingh, Mr Van Minnen, Mr Albers, Mr Peters and Mr Adam on behalf of the

4. *Fifth annual report on the ERDF*

**President.** — The next item on the agenda is the report (Doc. 1-181/81), drawn up by Mrs Martin on behalf of the Committee on Regional Policy and Regional Planning, on the Fifth Annual Report (1979) of the Commission of the European Communities on the European Regional Development Fund (ERDF).<sup>1</sup>

I call the rapporteur.

**Mrs Martin, rapporteur.** — (FR) Mr President, ladies and gentlemen, it is in my capacity as rapporteur for the Committee on Regional Policy and Regional Planning that I have the pleasure of presenting to you this fifth report on the European Regional Development Fund.

The purpose of the ERDF is, as you know, to aid development projects in the regions of the Member States of our Community. In view of the great disparities which exist between different European regions, the scope of the Fund should be very great, and at the Paris meeting in 1972 the Heads of State and Government acknowledged the 'high priority' of the objective of redressing regional imbalances in the Community. Alas, though, I am not the first to tell the House that the deed does not always match the intention, and Parliament has endorsed this view.

We are compelled to observe that in 1979 the gap between the appropriations available and the funds needed to reduce the differences between the regions, widened yet again, the more so during this period of recession when the problem of unemployment, which affects first and foremost the weakest regions, calls for considerable sums. Indeed, attention must be drawn to the fact that despite a substantial increase in the financial resources available in 1979 compared with the previous year, the whole of the resources available were committed, and despite the critical selection process carried out by the Commission, a large number of projects had to be shelved until 1980. What should also be noted is that in terms of the investment involved and the amount of aid from the Fund, most jobs were created by industrial projects costing less than 10 million ECU and that it is therefore this kind of project which we should be recommending for support during the present crisis.

How, though, can we establish a real regional policy for the Community when we have national quotas, a policy which seems more akin to that of a fair return

Socialist Group to the Commission of the European Communities on an integrated programme to combat unemployment

— *Oral question with debate*

(Doc. 1-219/81) by Mr Diligent on behalf of the Group of the European People's Party (Christian-Democratic Group) to the Commission of the European Communities on aid from the non-quota section of the European Regional Development Fund (ERDF) for regions affected by the textile crisis.

**Martin**

and which is made worse by the fact that once again, though additionality should be a fundamental rule, it is quite clearly far from being generally applied. We saw that yet again Member States used ERDF funds — particularly funds to assist industrial projects — as a partial reimbursement of national aid in 1979. The problem of complementarity of Regional Fund operations and Member States' investment still remains, therefore, and will have to be looked at when the second revision of the Fund rules is made, as indeed should have been done by 1 January 1981.

Both our Committee and Parliament itself have already stressed the great importance attached to information about Fund operations. Europe cannot fail to benefit from letting the public know what it does. Such knowledge would be more easily obtained and would have a greater impact if it were possible to show the complementary nature of Fund aid and if projects could be identified individually. And as for auditing, we regret to observe that the difficulty which the Commission had with certain Member States in 1978 continued into 1979. It does none the less now appear that things are beginning to improve. Parliament was very much aware of this problem. When a Member State refuses to allow such an audit, the Commission should begin proceedings against the offending State and should go as far as suspending payments for those projects where permission to audit is refused. Monitoring the management of the fund, ladies and gentlemen, is intended primarily to measure the impact of aid on regional development. It should enable us to see whether Fund operations have had any positive effect on development of the region in question and have led to improved results.

Having been highly critical, I should now like to turn to the more positive aspects. The first of these is that in February 1979 the Council approved the establishment of a non-quota section. This is something we were particularly interested in, since it marks the beginning of a real European regional policy which will enable us to work in parallel with other European policies and counteract their side-effects. Thus, among the five specific measures which the Commission proposed, the most important — at least from the point of view of the funds called on — was the specific measure linked to enlargement. It can still help us to remedy some of the effects of economic difficulties. That is the purpose of the second and third measures, which relate to the restructuring and decline of the steel sector and the problems of the shipbuilding industry respectively. These proposals were, moreover, welcomed by this House. The negotiations which they led to, however, were such that it was only during 1980 that the Council was able to give its approval, with the result that we have not been able to give any details at all in this report on the effects of these measures. At the same time, though we may congratulate ourselves that the non-quota section is now established, we can only repeat that 5 % is not very much,

and that the second revision of the Fund must consider increasing it.

Another positive point is that simplified procedures and, even more, the implementation of accelerated payments in 1979 have given satisfactory results. Even these, though, are a compromise from the system of advances which the European Parliament had proposed and which will also have to be reconsidered during the second revision of the Fund. It is also possible that the 90% advances granted under the supplementary measures for the United Kingdom influenced decisions on regional measures, even if they are not quite the same thing.

A further new element which took on a certain degree of importance in 1979 are the two integrated operations which the Commission is trying to set up in Belfast and Naples; the Naples operation was the only one to take real shape. It has made it possible to detect bottlenecks for a number of investments planned for the Naples region, and at the same time to exert some pressure on national authorities.

I would like to say in conclusion, Mr President, ladies and gentlemen, that though we have been able to note a number of improvements in 1979, we are still far from the objectives which many of us wish to see attained. We therefore have to persevere, developing two lines in particular: the non-quota section and the integrated operations which, because they concentrate efforts, allow major projects to be undertaken in the development of regions and sectors of activity which are at risk. It is in this spirit of greater solidarity that we should continue the building of Europe.

**President.** — I call the Socialist Group.

**Mr Ruffolo.** — (IT) Mr President, the oral question which I have the honour to put before this House on the occasion of this debate stems from the concern we feel at the ever-increasing gap between the Community's wealthy and poorer regions. We are concerned that such a divide might assume critical proportions in an enlarged Community of 12 countries and that two-tier development might become a central rather than a marginal feature of the Community's economy.

We in the Socialist Group think that the time has come to radically re-examine the purpose of the regional policy and to reassess its resources and instruments. Up to now, regional policy has been the Cinderella of Community policies, whereas in a larger and even more varied Europe it ought, on the contrary, to be a cornerstone and a hallmark of unity and solidarity in the Community.

We in the Socialist Group believe that a new regional policy — together with new policies for energy, indus-

### Ruffolo

trial innovation and employment — ought to be the core around which we can build this Community — today threatened with desintegration — up again. This being our firm belief, we felt we had to make the most of the opportunity given us by Mrs Martin's worthy report to try and lift this debate on regional policy outside the traditional realms, and to indicate a new dimension for this policy in the context of a new outlook for the enlarged Community.

Our purpose, therefore, is not to criticize regional policy as it now stands, given its present financial resources and institutional structures. We have no hesitation in acknowledging that the Commission — and, in particular, the Commissioner responsible for regional policy — has successfully made use of the opportunities offered to extend the policy's scope, direct its resources and improve its effectiveness. Rather than criticizing the policy itself, we aim to begin by criticizing the meagreness of its resources and the fragility of its organizational structure — which are quite clearly shown in Mr Giolitti's report — and to seize the great opportunity offered by enlargement to introduce a far-reaching and fundamental reform which will open up new vistas of development for the Community.

I should now like to outline the four main proposals of the oral question. In the first place, regional policy needs to be incorporated into an overall plan comprising all the action programmes which aim at reducing disparities between regions. Specifically, we need a long-term programme to outline the desired development of the Community of the Twelve and a medium-term programme defining the policies needed to pursue the reduction of disparities within the Community as it now stands.

Secondly, the funds which the Community needs to mobilize in order to make an effective contribution — in coordination with national policies — to attain the objectives of such a programme must be established on the basis of the programme itself, and not according to abstract and at the same time empirical criteria, which is what happens at the moment.

Thirdly, the regulations governing the operation of the Fund and its procedures must be revised so that the Fund is transformed into a genuine instrument of a specific Community policy and is no longer viewed as a system of financial aid to top up national programmes.

Finally, a much-needed change of emphasis should transform regional policies from being mere financial incentives into action campaigns which directly promote and develop regions, thereby endowing the Community with a new instrument for planning, technical assistance and business promotion. A European development agency, in other words. Such an agency would be able to help governments and local authorities to select and devise specific development

projects, it would disseminate information, encourage technological experimentation and facilitate the transfer of know-how to the less developed regions, and it would encourage new business initiatives in those very regions.

Our aim in putting forward this proposal, Mr President, is to stimulate a radical revision of the Community's development policy at a crucial moment in its history. The proposal also reflects our firm belief that Parliament's job is not so much — or just — that of a merely technical advisory body, but that it is to constantly promote policy innovations and to give a boost to contacts between the Commission and the national governments.

It seems to us, Mr President, that this is the role for Parliament, a role which it is still seeking even today.

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

**Mr Diligent.** — (*FR*) Mr President, ladies and gentlemen, I should like to congratulate Mrs Martin for her excellent and courageous report, a report which enables me to draw attention by means of an oral question to one point which I regard as essential, namely the question of the classification of projects in the non-quota section. As you know, the European Regional Development Fund has five types of projects to support with this section: the first has to do with regions affected by the enlargement of the Community, the second with the border areas around the Irish Land Boundary, the third is for the development of energy sources in Italy, and the last two are aimed at aiding two troubled industrial sectors: iron and steel and shipbuilding. My first observation is that part of the appropriations available were not used and that last year Parliament asked the Commission to submit proposals for aid to other sectors. I should like to take this opportunity to stress to you that the situation in the textile sector — which we discussed at length two months ago — deserves at least as much attention as the iron and steel industry or shipbuilding.

I do not propose to bore you with a long string of figures: I shall take just a few which strike me as speaking louder than words. Between 1974 and 1980 the number of jobs in the European iron and steel industry was reduced from 790 000 to 600 000, which is a net loss of 190 000, while in shipbuilding the number fell from 277 000 to 120 000, which is a net loss of 157 000. Of course that is too many, far too many. But it is far less than the losses suffered over the same period, or rather between 1973 and 1980, by the textile industry: these are the figures and statistics which the Commission itself gave me: 700 000 jobs lost from 1973 to 1980, 500 000 in textiles and 200 000 in the clothing industry. What I am therefore calling for is a sixth type of project in addition to the five I



**Diligent**

mentioned just now, to aid the textile and clothing industries. I am calling quite bluntly and quite frankly for it to be directed to northern France, specifically to the Roubaix-Tourcoing conurbation, because this region, which has already suffered such a lot from the decline in steel-making and mining, also has more than one third of my country's textile industry, and more than half of that is in the Roubaix-Tourcoing conurbation, which has lost 45 000 jobs in 20 years. The number of jobs has fallen from 80 000 to 35 000, not just because of the continuing modernization programme but mainly because of the 1973 crisis, which hit very hard indeed. I do not have the time to give you other figures, but I must tell you that this area can quite properly be described as a disaster area: a disaster area for its economy because of the decline in its main industry, a disaster for housing because of its slums, its notorious back yards which the whole world knows about. There is a large immigrant population which has been well received but which is now concentrated in quite dreadful circumstances.

That, Mr President, ladies and gentlemen, is why I believe that it is fully in keeping with the views of the European institutions and of this House for my oral question to be considered, since the non-quota section which we approved is aimed at offsetting the effects of excessive imbalance in regions which have to cope with particularly serious crises and with the need to replace lost jobs by helping small and medium-sized enterprises to move towards innovation and advanced technology. I am sure that if the Commission will agree to think about the question I am putting, they will find that it fits all the circumstances which inspired our institutions to set up this non-quota section which is aimed at promoting solidarity between our regions.

**President.** — I call the European Democratic Group.

**Mr Harris.** — Mr President, my main task in the one minute available to me is to congratulate most warmly Mrs Martin on her report. She has once again highlighted the concerns which we feel in the Committee on Regional Policy and Regional Planning about the shortcomings of the fund and also expresses our hopes for the future. I would ask the Commissioner when can we expect him to bring forward the proposals for the revision of the fund. We, for our part, are eager to get on with the job of fashioning regional policy mark II.

Could I follow up the remarks just made by Mr Diligent and also move the amendment which stands in the name of my friend, Mr Kellett-Bowman, and which urges that the remaining money in the first tranche of the non-quota section should indeed be used for the textile industry. The textile industry is hard-pressed throughout the Community, not only in France but also in north-west England represented by Mr and Mrs Kellett-Bowman.

**President.** — I call the Communist and Allies Group.

**Mr Cardia.** — (IT) Mr President, Commissioner, the widening gap in economic development between the prosperous and backward regions of the Community, to which Mr Ruffolo alluded a short while ago, is one of the most serious aspects of the political, economic and also moral crisis which is currently besetting the European Community.

As stated in Mrs Martin's report, this trend began to emerge more clearly during the 1970s. But things really began to take a turn for the worse at the beginning of the 1980s. It was at this point that the negative impacts of industrial recession and inflation were aggravated by the cumulative effects of the common agricultural policy. The effects of this policy have been negative and divisive, as was revealed in a debate the other day. The tendency to concentrate and centralize capital has been stepped up. That proportion of the Community which is stagnant and relatively backward is getting bigger, and not just because the Community has expanded. Within this area — mainly at the Community's outer limits — a new, more extensive and graver problem is now beginning to make itself felt, particularly along the shores of the Mediterranean. It is a problem with which — confining ourselves in Italy — we Italians and Southerners are all too familiar, and we are well aware of all its negative implications. We have toiled and struggled — in Italy, I mean — to solve this problem for decade after decade and all our efforts have still not been enough. Nobody should be surprised, therefore — and least of all, Mr Giolitti, who has had vivid experience of the troubles in Italy at some of its most crucial moments — if the attack on the basic limitations of the Community regional policy has gradually become more and more radical in recent months and has produced proposals for new approaches and methods. Examples include Mr Ruffolo's points, made a few minutes ago.

The most significant of these proposals are of course those which concern the setting-up of a Community development agency, which would seem to imply structural reform of the Regional Fund, and the institution of a Mediterranean revolving fund in view of the impending Community of Twelve. Other important proposals include the integration of agricultural, structural, regional, social and other sectoral policies into comprehensive plans for general regional development. Each and every one of these suggestions, and the package as a whole, is indicative of the new approach currently being adopted within the Community to the problem of widespread and balanced development. Nevertheless, both I and my Group are aware — and the memory of events in Italy springs to mind at this point, Mr Ruffolo — that partial reforms and the devising of new instruments will be ineffective unless the principles and methods of modern democratic planning are upheld as the means

**Cardia**

to achieve convergence and unity in our Community and are used to combat the anachronistic laissez-faire policy — unparalleled in either the United States or in Japan — which is having increasingly crippling effects. The modern, democratic planning to which I am referring should be backed up by a Community body responsible for analyzing trends and drawing up plans, a broadly outlined and flexible medium-term development programme, a budget extending over several years, and regional development plans worked out with local populations and governments.

The changes which are necessary are of course extensive and extraordinarily complex, and in this I concur with Mr Ruffolo. The Commission memorandum on regional policy prepared by Mr Giolitti and the proposals in the mandate could provide this Parliament with an opportunity for an in-depth discussion, and point the way forward to a radical reform of approaches and methods.

Despite certain limitations and features which I do not find entirely satisfactory — among which I would include an excessive optimism, which was also apparent in her introductory remarks here today — Mrs Martin's report nevertheless advocates changes in the right direction, and this is the main reason why we support it.

**President.** — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

**Mr Blaney.** — Mr President, may I offer my congratulations to Mrs Martin for her report and merely add my voice to those already raised on the much-discussed problems of regional policy.

The gap has been widening rather than closing. This has been said time without number but it still keeps widening. This clearly indicates that we do not have sufficient funds to make a real impact in closing the gap between the worse-off areas and the better-off. This, I think, is the problem rather than any fundamental defect in the policy itself.

There is of course the question of additionality which, again, cannot be repeated often enough, where national governments, which we can fully understand in their financial difficulties, tend to pull into their exchequer whatever is coming from wherever it does and which does not necessarily get back to the areas that are in greatest need. This applies, I think, in all countries and it is not a question of attacking any one more than another.

The 5% non-quota, within the terms of the total funds at our disposal, is much, much too small and I would wish with many others that this should be raised to a realistic percentage and out of a much greater fund if

we are to grapple with the situation of a widening gap, as I have said, and which continues to widen despite the best efforts of the Commission and the policy operated under this particular heading.

Next, a coordinated approach. I have asked for this time without number, and again I think it is something we must think about very seriously. I know it is being thought about but I do not think a great deal is being done. Funds from the common agricultural policy, and from the Social and Regional Funds should be coordinated to get the best value from them for the less well-off areas.

**President.** — I call Mr Muntingh.

**Mr Muntingh.** — (NL) Mr President, the Socialist Group would like to take this opportunity to make a number of specific suggestions. Mr Ruffolo did so just now, and I should like to follow on from him. I should like, in so doing, to draw your attention to two facts, the first of these being the appalling level of unemployment, especially in the European countries bordering on the Mediterranean. I merely wish to point this out, without going into the matter in any more detail. A second point I should like to draw your attention to is the likewise appalling level of pollution in the Mediterranean Sea region. That region, along with the Mediterranean Sea itself, the North Sea, the Baltic Sea and the Caribbean Sea figure among the most seriously polluted seas in the world. Of course, such pollution is bound to make its effects felt. For instance, swimming is prohibited in the Bay of Athens. Everyone has heard of the notorious red mud in the Adriatic, and there are places in the Mediterranean Sea region where more than 90 000 cholera bacteria per litre of water have been recorded. Then we have the recent example of the small town of Augusta on the Sicilian coast where, over recent months, something like 13 children have been born with serious malformations and where the incidence of death from cancer has risen to more than 30%. Whole villages have had to be evacuated and abandoned because of the grave environmental situation. All this speaks volumes, and it is something which cannot be allowed to continue. Certain diseases are making a comeback, and food from the Mediterranean Sea is now so badly contaminated that, in certain instances, it is no longer fit for consumption. To put it in a nutshell, the situation is extremely serious.

The suggestion the Socialist Group has to make is that we should tackle both these serious matters together and try to reduce the level of pollution in the Mediterranean Sea region by way of carefully directed action under the terms of the regional policy, and thus at the same time tackle the problem of unemployment.

We would prefer, if it can possibly be avoided, not to hear about all the Commission is doing under the

## Muntingh

terms of the Barcelona Convention. We are well aware of what is going on — for instance, the fact that the Barcelona Convention comprises three points of action, and that these include a blueprint whereby work is going on to a certain extent on tackling the problem of pollution in the Mediterranean Sea region. However, the amount of work being done is to our mind scandalously meagre. We believe that this work must continue, and we give it our wholehearted support, but what we would like to see is for the Community to supplement this work by specific projects aimed at combating the appalling level of pollution and unemployment.

We therefore urge the Commission, pursuant to the Council resolution of 6 February 1977 on policy guidelines for the Community's regional policy, to — and this is what I am getting at — coordinate the Member States' regional policies in an attempt to reduce, and ultimately put an end to, the pollution of the Mediterranean Sea. We know exactly where the pollution is coming from. All the studies currently in progress should of course be persevered with as far as I am concerned, but the fact is that we know precisely where the pollution is coming from. It is coming from the major industries like Monte Edison on Sicily — which I mentioned just now — and Esso — and also to a large extent from us normal people, inasmuch as we have no option but to discharge our own waste into the rivers.

100 of the 120 cities and towns bordering the Mediterranean Sea region discharge their waste untreated into the Mediterranean Sea. The result is an unimaginable level of pollution, and all we can hope to do is to try to treat the waste in sewage works. We need no study to tell us that — it is something which simply has to be done. That is why my Group is asking the Commission to set up a kind of task force and to draft an environmental production plan indicating ways of developing, manufacturing and marketing techniques and products capable of making a contribution to a large-scale clean-up of the Mediterranean Sea. We are also asking the Commission for an integrated programme for combating unemployment, directed at stimulating employment in those trades and sectors which may be presumed to play a potential part in the construction of purification and sewage plants. We are also asking for the necessary finance to be made available and especially, as regards the integrated employment programme, for use to be made of the borrowing facilities of the European Regional Development Fund and the other Community financial instruments, loans from the European Investment Bank, the European Social Fund and the Guidance Section of the EAGGF. We must thus explore all possible avenues to draw up a plan to call a halt to a development which is intolerable from the ethical, moral, economic and social points of view.

To sum up, the excellent report produced by Mrs Martin sets out a number of general guidelines. My

Group is now trying to come up with specific proposals and to try to kill two or three birds with one stone by the setting-up of a task force along the lines I discussed earlier, to wit unemployment and pollution. This will enable us to improve the economic situation in the regions concerned, which after all is not all it might be, because it does not require too much mental agility to imagine that, once the Mediterranean Sea region has been cleaned up, the tourist industry will be rubbing its hands, the fishing industry will be given a new lease of life, the shipbuilding industry will be given a boost, the future will be brighter for marine farming, and all kinds of other opportunities will be opened up. To put it in a nutshell, our proposal is a highly specific one, and I shall be curious to see how the Commission will react to these suggestions on the part of my Group.

**President.** — I call Mr Travaglini.

**Mr Travaglini.** — *(IT)* Mr President, I should like, with your permission, to make use of the six minutes allotted to me as the representative of my Group.

The PPE Group will vote in favour of Mrs Martin's motion for a resolution drawn up on behalf of the Committee on Regional Policy, partly because we want to endorse the fact that both the Council and the Commission have paid more attention to regional development policy in recent years — having been strongly urged to do so by Parliament — and, at the same time, because we wish to stress the need to make further efforts to reduce the only too obvious gap between the less developed and the better-off regions of the Community through more appropriate and effective Community action programmes.

When this House voted unanimously for the motion for a resolution on 19 September last year, we clearly expressed our firm belief that all the common policies needed to be implemented with greater incisiveness and to be better coordinated, thus ensuring that they made a decisive contribution to the development of less well-off areas and making it clear that regional policy cannot just be equated with the European Regional Development Fund, essential though that is.

The Commission is currently engaged in a review of the Fund Regulation. Now is a good opportunity for us to stress the complementarity of Community action programmes aimed at development and the correction of regional imbalances, the need for subsidies to be poured into areas where development has always been hampered because of grave structural and environmental deficiencies, the need for Community support to top up the funds provided by the Member States, and the need for regional development programmes to coordinate all these activities, whether Community, national or regional in origin.

Let us be clear about one thing, ladies and gentlemen. The funds of the non-quota section should definitely

**Travaglini**

not be used to offset the negative impact of other Community policies. On the contrary, the funds earmarked for the policies in question should themselves be used for this purpose. The growth of the non-quota section may be useful in that it gives more scope for Community action to solve serious structural problems. On the other hand, it could give rise to distortions which would tarnish the Community's image if — in an attempt to make the instrument excessively flexible — the scope of such aid were not strictly defined according to the basic priority, which is to remove structural obstacles in the underdeveloped areas alone.

We are worried at the increasingly obvious tendency to use the Regional Fund as a prop for those sectors of industry which are in trouble. Even though the Community is well behind schedule in solving its structural and industrial problems, this cannot be remedied by having recourse to financial instruments which have been created with other purposes in mind.

We should like to pay tribute to the Community institutions for the efforts they have made in raising the Fund's appropriations to an adequate level, and we trust that in 1982 the Council will not repeat its ludicrous attempt to trim the budget estimates presented by the Commission.

We do think, however, that the time has come to analyse the impact of the various common policies on the regions and to sanction changes in such policies wherever necessary. We will have a good opportunity to do this when Parliament examines the Commission proposals which are about to be submitted to the Council at its specific request.

Although many different points of view were raised in this House the other day, when we held an exhaustive and lively debate on the reform of the common agricultural policy, there was nevertheless a general consensus that agriculture in the less well-off regions should be safeguarded and supported and that this could mainly be achieved by increasing the potential of existing agricultural structures.

I should like to point out — yet again — that the aid so far granted to Mediterranean agriculture has been totally inadequate, and that this must be remedied as promptly as possible, particularly as the problem is likely to become even greater with the accession of new countries to the Community.

The situation has not been helped by the very serious delay in implementing a common transport policy. Such a policy should have been a cornerstone of economic integration in Europe, but has ended up by being particularly detrimental to the peripheral areas of the Community, which have been forced to bear excessive burdens because of their great distance from the areas with which they do most trade and, in general, have the most extensive socio-economic relations.

What is more, the Community has not yet got round to organizing a comprehensive policy on the structures of industry which would — among other things — make rational use of both national and regional potential and resources in an appropriately coordinated way. If we had such a policy, industrialization could spread in a suitably well-ordered manner which would involve the less well-off regions as well. We will try to encourage Parliament to discuss this issue calmly and dispassionately. Personally, I think we are being too *laissez-faire*, and are caring too much about sticking to the letter of the Treaties, if we equate the respect for and safeguarding of competition with the rejection of our necessary duty. It is both necessary and legally and politically correct to coordinate and foster the entire restructuring process which will increase the Community's potential for production.

While the Community as a whole is still suffering from the effects of a general economic crisis, ladies and gentlemen, there are some places where the situation is particularly grave.

In Italy, 45% of the total number of unemployed are to be found in the Mezzogiorno, where per capita GDP has plunged to 40% of the Community average.

The European Community can and must play a much more active role in shoring up national efforts which are designed to halt the inexorable decline of the economy and the progressive wear and tear on the social fabric in these unfortunate and deprived areas.

'Integrated action programmes' for the development of less well-off areas must not be confined to merely coordinating aids to infrastructure. We must find a way to make use of all the common policies to give these areas realistic and practical help. If we do not, these regions will become even more alienated from the European integration process. Integration will remain a hollow ideal if we do not succeed in restoring the balance between regions.

Ladies and gentlemen, we need to think long and hard about this indispensable condition for the construction of Europe. Let us act promptly and decisively to transform this solidarity into something tangible and permanent, otherwise the Community is doomed to failure and disappointment.

*(Applause)*

**President.** — I call Mrs Ewing.

**Mrs Ewing.** — Mr President, I rise to support the Martin report and to thank the rapporteur for her work. I also wish to support the amendments with regard to textiles in the name of Mrs Boot.

**Ewing**

Other speakers have referred to the widening gap, and having served in the Committee on Regional Policy and Regional Planning now for quite some years, in the old Parliament and in the new, this is the thing I suppose that concerns us most. In 1972 the Heads of State meeting in Paris said that they gave regional imbalance a high priority. Yet the gap, as we all know, is widening. It is a sad reflection of the commitment to a fair regional policy that the non-quota section has been allocated only 5% of the ERDF. Most of us on the Committee on Regional Policy and Regional Planning, are agreed about the question of additionality. It has been mentioned in speeches in this House from all sides. I believe, Mr President, that it was never the intention of the original concept of the Regional Fund that it should be treated in the way it is treated, in the United Kingdom and other Member States. It was meant to be additional. I think only when this is accepted will the Regional Fund start to make maximum impact.

I believe there is a need for a much more integrated approach to regional problems and a greater coordination of Community financial instruments — a greater tie-up with the Regional Fund and the agricultural sector.

I am very fortunate, Mr President, in that the Western Isles in my constituency was chosen as one of three areas for a pilot scheme. It is outside the scope of this report, but perhaps I could say that this was exactly what I am praising: the concept. But now we find that restrictions are being imposed by the EEC on the headings of expenditure to such an extent that it is worrying very much the Western Isles Council and the Scottish Office. Now we find indeed that the United Kingdom Government is adding further restrictions. I feel again that it is a case of a European concept that is getting watered down in the execution, I leave it at that; but I think Parliament should look at these three pilot schemes and how they are going forward.

Mrs Martin points out, on another question, that the smaller projects have been more job creative than the larger, more costly projects, and therefore in a sense better value for money. This is of course of great interest to myself representing perhaps, with the exception of Greenland, the most peripheral area, or certainly one of the few most peripheral areas, in the Community where sparse population and unemployment are twin nightmares. So small-scale projects certainly would help this type of area, and I would again appeal that the criterion of ten jobs should be looked at. I know that agencies can deal with this matter, but there are sometimes unsuitable agencies in sparsely-populated places. In many islands that I represent, where there are only a handful of people, two male jobs could save a whole island from being turned into a deserted moor. I think therefore this really must be looked at again if the Regional Fund is to be effective.

The other related question is what is peripherality? I accept that the Community is beginning to understand this. I would suggest that it is a bit ridiculous to limit so severely the Regional Fund's ability to travel to the peripheries. Because of all committees it surely is the Committee on Regional Policy and Regional Planning which should travel, not necessarily the Legal Affairs Committee and some of the other committees, although by all means, if there is enough money, let them travel too. But when there are restrictions how absurd it is that the Committee on Regional Policy and Regional Planning is not permitted to go regularly, even in small numbers, to make frequent visits to the faraway peripheries with very special problems.

In a recent report on the socio-economic situation of the Community's regions, the Commission rated the Western Isles, which I mentioned, in the same bracket as Devon or Aquitaine. Someone, somewhere, does not really understand the nature of the territory which I represent. Perhaps if many of the members of the committee could be banished to the Western Isles for a year, apart from enjoying the way of life — I think Mr Taylor would enjoy going to the Western Isles, it is very restful there — I think they would learn quite a lot about what it is to be really remote from markets, where prices are 20% higher because we have not solved the problems of freight charges as other areas, such as Scandinavia, have done. Wages are 20% lower. This is the kind of problem that has to be solved. I would therefore conclude with that point and thank Mrs Martin for all her hard work.

**President.** — I call Mr Griffiths.

**Mr Griffiths.** — Mr President, I would like to congratulate Mrs Martin on her concise report which pinpoints once again the inability of the Regional Fund to overcome the ever-growing problems of the regions and of the operational weaknesses of the Fund when set in the context of national regional policies. Our criticisms made year after year, like prophets crying in the wilderness, concern the operational framework of a half-baked regional policy sitting uneasily in the company of the CAP, an older and bigger brother who, having got hold of the cream, has little intention of sharing it with his needy and vociferous young sister. The report highlights once again the inadequate resources of the fund, which even this year is less than 5% of the overall budget. It is little wonder that, with such a small slice of the Community loaf, the differences in wealth between the richer and the poorer regions continue to widen instead of converge as explicitly intended both by the creation of the Community itself and the establishment of the Regional Development Fund.

There is a plea in the report which the Socialist Group vigorously supports, for better regional development programmes from the Member States, to ensure a

### Griffiths

more effective use of Regional Fund money, and to enable better coordination of other EEC instruments, which can help the regions, like for example the Social Fund.

In this context, I would like to stress the importance of integrated operations, not necessarily because more finance will be made available — though of course we hope that it will — but because it will force the dispensers of public investment, Community and national, in the regions, to sit down and plan more constructively the use to which their investments will be put.

Again this year, as in others, we call on our governments to make the grants from the Regional Fund more obviously additional spending in the regions, and that in particular, when a local or regional authority receives a grant from the Fund, its overall spending programme should be increased by that amount, and not, as happens in the United Kingdom, for example, be worth about 10% of the actual grant received. The United Kingdom practice is, I believe, no worse than that of other Member States, and in some cases is better.

The Socialist Group also believes that the non-quota section of the Fund should be increased from its present 5% to 13%, the figure originally supported by the European Parliament, and that the same rules of majority voting for quota section applications should apply to non-quota applications instead of the current use of the veto in the non-quota section.

As far as the amendments are concerned, the Socialist Group intends to oppose them both: the first, because while we believe that the textile industry is badly in need of support, and should receive some help from the non-quota section, we do not think that the remaining allocation, small though it is compared to the problems of the textile industry, should be used entirely for that purpose. There are other industries and industrial areas which are in crisis and should be helped. The continuing crisis in the steel industry comes immediately to mind as do the problems of the European motor-car, shipbuilding and chemical industries.

We oppose the second amendment because we believe it is an unnecessary repetition. By forwarding the report and resolution to the Council, it automatically becomes the property and, we hope, knowledge of the Member States, though sometimes we do wonder.

There are three questions which I hope the Commission will answer during the course of this debate, Mr President. First, is the Commission satisfied with the arrangements made with France to carry out on-the-spot checks of aided projects there? Secondly, what has the Commission done about the extra 2% share of the Fund allocated to France for its overseas departments which was not spent in 1979? Thirdly, when does the Commission intend to present its second round of non-quota proposals?

My final word, Mr President, is addressed to the Council. To my mind, in the sphere of regional policy, they stand accused and are guilty of dereliction of duty. Nearly a decade ago, the heads of government, as Mrs Ewing reminded us, promised to give a high priority to correcting the structural and regional imbalances in the Community. That plainly, has not happened. Even worse, earlier this month the so-called 'jumbo' Council, faced with already massive and still mounting unemployment, failed to come to unanimous agreement on a programme to help deal with this unemployment which, of course, hits the regions harder than anywhere else. If stories trailed in the press are to be believed — and they have not been denied — then one government and one alone stood in the way; blocked the pathway of hope for the unemployed and poor of the Community. The British Government must stand indicted of heaping burning coals on the suffering regions of the United Kingdom, all of which have unemployment rates approaching 15%. It must not be allowed to lead the rest of the Community down such a disastrous path. Let the cry of this European Parliament be heeded by the Council and transform our role from that of a prophet crying in the wilderness to that of a Joshua, so that the walls of indifference to the regions come tumbling down as decisively as those of Jericho in times long past.

**President.** — I call Mr Pöttering.

**Mr Pöttering.** — (DE) Mr President, ladies and gentlemen, I just want to make a few points about the oral question put by Mr Ruffolo. He is calling for a European Development agency to be set up in order to achieve a balance between the regions of Europe. My Group agrees with Mr Ruffolo that the accession of Greece, Portugal and Spain to the European Community poses monumental and serious problems which have to be resolved. My Group does not believe, however, that the setting-up of a development aid organization which would employ a vast army of officials can overcome these problems and that, on the contrary, what is needed is political will on the part of the Council of Ministers to finally get down to making the necessary decisions.

For this reason, since 1977 my Group has been advocating the view that we need to draw up a plan for the Mediterranean area and to set up a revolving fund based on low-interest loans in order to foster the economic development of the southern European countries which wish to join the Community. I should like to remind Mr Ruffolo that last year in this House our Group put forward a motion for a resolution — known as the Boot motion — which provided for a Mediterranean plan of this type. This motion for a resolution is now in the form of a report which is currently being discussed and revised by the Committee on Regional Policy and Regional Planning. The Group I represent — that of the European

**Pöttering**

People's Party — hopes that when Parliament has made its decisions regarding a Mediterranean plan, presumably in the autumn, the Council of Ministers itself will come to a decision. I earnestly appeal to the Council of Ministers to make the necessary decisions, as otherwise enlargement could lead to disaster for the European Community. In my capacity as a member of the German Parliament, I should like to conclude by saying that the fact that our government and our Foreign Minister, Mr Genscher, are in favour of the accession of Spain and Portugal is not enough. While we wholeheartedly welcome their support, we must once again ask Mr Genscher, the German Government and the entire Council of Ministers to champion the idea for a Mediterranean plan with a low-interest loan system to promote the economic development of these applicant countries, and we appeal to them to come to a decision at last.

IN THE CHAIR: MRS VEIL

*President*

5. *Votes*

**President.** — The time obliges us to suspend this debate.<sup>1</sup>

The next item on the agenda is the voting time.<sup>2</sup>

We begin with the *Vayssade report (Doc. 1-65/81): Abolition of the death penalty.*

(...)

*Preamble*

*After the fourth indent — Amendment No 1*

**Mrs Vayssade, rapporteur.** — (FR) Madam President, the Legal Affairs Committee had not envisaged this type of amendment, but it is not in conflict with our work. Therefore, without being able to express a definite view on the amendment, I would tend to be in favour of it.

(...)

**President.** — I call Mr Sherlock.

**Mr Sherlock.** — Madam President, I am sorry to interrupt this vote which I know many hold very close to their hearts, but in some parts of the building the bell has failed to sound. I wonder if someone would be kind enough to push it again.

**President.** — Mr Sherlock, we shall ring it once more. I would point out to you, however, that it is 6 p.m., which is the normal voting time; each Member was therefore in a position to know that we were about to vote.

(*Applause*)

(...)

*After the 13th indent — Amendments Nos 2 and 4.*

**Mrs Vayssade, rapporteur.** — (FR) On behalf of the Legal Affairs Committee, I am obliged to say that the question had been raised and that this reference had been rejected as anachronistic, since the December resolution had been adopted before today's debate and report.

(...)

*Paragraph 1 — Amendment No 5*

**Mrs Vayssade, rapporteur.** — (FR) The question was never approached in this way in the Legal Affairs Committee. Personally, I am in favour of the amendment.

(...)

*After paragraph 2 — Amendment No 3*

**Mrs Vayssade, rapporteur.** — (FR) Madam President, this paragraph would seem very satisfactory to me if, instead of the 'competent national authorities', it read 'the national authorities concerned'. As drafted it is addressed to all the Member States of the Community, whereas a number of these States are no longer affected by this debate because they have long since abolished the death penalty and I am therefore rather sceptical about the usefulness of this amendment as drafted.

(...)

**President.** — Explanations of vote may now be given.

**Mr Kappos.** — (GR) Madam President, we are in favour of the abolition of the death penalty and shall vote for the report.

<sup>1</sup> *Membership of Parliament: see Minutes.*

<sup>2</sup> The verbatim report reproduces only those stages of the vote which gave rise to speeches. For details of the votes, see Minutes.

**Kappos**

Our reasons for doing so are, firstly, that we consider the death penalty to be inhuman. We consider it to be particularly inhuman since all the available data show convincingly that it does not deter others from committing similar crimes.

Our second reason for voting for the report, Madam President, is that under capitalism there are many cases in which political offences or even simply political activity are often defined as criminal offences incurring the death penalty. We have bitter experience of this in Greece, since Law 375, which is still in force, defines political activity as espionage. Nikos Belogianis, the 'man with the carnation', was executed on the basis of this disgraceful law.

Thirdly, Madam President, we are in favour of the report because, once the death penalty is carried out, it is impossible to make any reparation in the case of judicial error. Of course we are also in favour of basic measures being taken to combat crime.

*(Protests from the right)*

**Mrs Kellett-Bowman.** — Madam President, I am voting against the resolution because I believe that the death penalty is the only deterrent to murder. Mrs Vayssade said yesterday that other penalties are equally dissuasive. If so, why do people always appeal against the death penalty? The statistics in the United Kingdom since abolition are wholly misleading. Many more murders have been committed, but courts now frequently accept a plea of diminished responsibility where before they would secure a conviction for murder. In England it pays to kill witnesses, because under the criminal bankruptcy provision thieves will, if convicted, lose not only their liberty but also their loot and will get no heavier penalty for killing than for armed robbery. If they kill innocent victims they may and often do get clean away. We are supposed to represent the citizens of Europe. The vast majority of those citizens demand that we safeguard their lives by retaining or restoring capital punishment.

*(Protests from the left — Applause from some quarters of the European Democratic Group)*

**Mr Van Minnen.** — (NL) A firm conclusion to the effect that the death penalty should be abolished throughout the entire Community is something we can welcome and we shall therefore obviously vote in favour of Mrs Vayssade's excellent report. However, I must point out on behalf of the Dutch Socialists that it should not be concluded from the fact that mention is made in the recitals of the cooperation in matters of criminal law called for by the Ministers of Justice in Dublin in 1979 that we are also in favour of this way of fusing our legal systems. We think that it is, to say the least, jumping the gun a little to associate this question with that of the so-called *espace judiciaire*.

Indeed, it is a little frightening in the light of a resolution from a different quarter tabled this week which recommends this *espace judiciaire* as an effective way of combating terrorism. This is a link which we have no wish to see established.

**Mr Habsburg.** — (DE) Madam President, basically I am opposed to the death penalty but if I nevertheless abstain this is because I am also against hypocrisy. A majority in this Parliament has voted in favour of the death penalty for unborn children . . .

*(Mixed reactions — Laughter)*

. . . Yes, this is true and I should just like to say that I am not prepared to vote against the death penalty for criminals while unborn children are being condemned to death.

*(Protests from the left — Applause from the centre and right)*

**Mr Wedekind.** — (DE) Madam President, ladies and gentlemen, many of the arguments against the death penalty put forward here are, I think, correct, convincing and of great moral and political value. I too am fundamentally opposed to the death penalty, but I should like to endorse what Mr Habsburg has just said, i.e. that some of these arguments against the death penalty were nothing more than cynical, pseudo-humanistic arguments verging on hypocrisy. For this reason I intend to abstain.

Furthermore, I should like to state quite clearly that if one is opposed to the death penalty under any circumstances whatsoever, i.e. even in the case of terrorism bent on destroying the State, or in wartime, one is far removed from the bitter reality of life.

**Mr Beyer de Ryke.** — (FR) Nothing, Madam President, is more serious than the question of life and death, and that is why I feel that abolishing capital punishment, which is the subject of our debate, is one of those topics which calls for more than mere certainties, but leads to that inner conflict which is doubt and soul-searching.

One's — my — loyalties are divided between those who rejoice when a man's life is spared, and those who, when a murderer dies for his crime, tell us, like Alphonse Karr, that only other murderers need feel concern.

You may none the less say that no matter how noble a sentiment doubt may be, it is a sentiment that our lawgivers do not know, and must not know. That is not really true. My own country, Belgium, still has the death penalty on its statute-book, though it is no longer used. Should we then be legislating to bring the law into line with current practice?



**Beyer de Ryke**

I think not; my own feeling is that the deterrent value lies in keeping the law, which can always then be brought back. Belgians are not by nature ghoulish, but Belgium is not a leading defender of murderers' rights either.

I should like to conclude, ladies and gentlemen, by appealing to your feelings — without being sentimental, however. I would maintain that there are some crimes where though the victim deserved compassion, the murderer deserves none — I am not thinking particularly of political murders, but of those which are even more frequently inspired by fanatical, deranged passion which even the prospect of death will not quench; crimes against children, which I consider to be impossible to forgive, in this world at least.

And so, in accordance with the legislation of my own country, I shall abstain in the voting on the Vayssade report: I do not call for the reinstatement of capital punishment, but neither, in the case of certain murders so horrible that each of us is shocked by them, do I reject its use.

**Mr Ferri.** — *(IT)* Madam President, ladies and gentlemen, the Socialist Group has asked me to give this explanation of vote in order to emphasize the tremendous importance it attaches to the adoption of this resolution.

It is difficult to find anything to say which has not already been excellently expressed by the rapporteur, Mrs Vayssade, the draftsman of an opinion, Mrs Macciocchi, Mr Schwartzenberg who instigated the motion for a resolution, and by everyone who spoke yesterday in support of the European Parliament's resolution on the abolition of the death penalty.

While acknowledging other viewpoints, I must say I am sorry to hear that even now, during the explanations of vote, there are people still voicing arguments which should have been left behind long ago. I do not mind saying that some of these arguments have shown a distinct lack of common sense. There are people expressing regret over the vote in favour of legal abortion during the debate on women's rights and then coming to the ridiculous conclusion that it would show hypocrisy to vote for the abolition of the death penalty today. There is just no connection between the two!

*(Applause from certain quarters on the left)*

The fact is, Madam President, ladies and gentlemen, that in my view — and I am appealing to all those who are about to vote, even if they harbour reservations or objections regarding some point in the preamble or text of the motion — the most important thing is the significance of the vote. Realizing, as we all do, that our vote means more in moral and political terms than

in a legal sense, I should like to see a result which, if not unanimous, at least indicates an overwhelming majority, because this will mean that it will have a much greater moral and political impact on those who must eventually act and make decisions, as the vote will reflect the views of the overwhelming majority of the elected representatives of the people of Europe.

Madam President, I should like to read out one short passage, penned at a troublesome time for Italy and Europe by Piero Calamandrei, an eminent Italian legal expert and critic of the works of Cesare Beccaria, the man who more than two centuries ago provided arguments against the death penalty which are still valid today:

The death penalty can never be right, even if the State declares it necessary for the citizens. 'Thou shalt not kill' is a categorical command which cannot be violated for reasons of convenience, because the violent extinction of a human life, even if ordered by authority, is at all times an infringement of the moral law which holds that man, in his relationship with the State, is always a *primum*, not a means but an end.

We shall therefore have no hesitation in voting for the motion for a resolution by Mrs Vayssade.

*(Applause)*

**Mrs Macciocchi.** — *(IT)* Madam President, let me say on behalf of my Group that I am totally in favour of abolition because it is shameful to have capital punishment in a civilized society, since it is a relic of the past, a symbol of revenge in a modern world, which is what we are trying to create.

It is not only for the legal and philosophical reasons which I went into at some length yesterday together with Mrs Vayssade but also for profoundly human reasons that I want to ask Mr Habsburg, and the other speakers who said similar things, to refrain from confusing the issue in a ridiculous manner. I am sorry, Mr Habsburg, but there is no foetus in the brain. It contains cells which we use in an effort to devise a new society, and when it comes to the conception of human beings it is women who have the primary right to say *yes* or *no*. This has nothing to do with decomposition and the savage ritual of murdering them.

Let me end by saying that the sanctity of life which Mr Habsburg was talking about — and it was odd to hear such words coming from him — cannot become the sanctity of death, because the two things are fundamentally opposite. I therefore ask everyone to vote unanimously in favour of the abolition of capital punishment.

**Mr Marshall.** — Madam President, I intend to vote against this motion this evening, which I believe flies in the face of the lessons of history, all common sense and the opinions of the vast majority of our electors. I

**Marshall**

believe that the death penalty is a deterrent and that events in Great Britain since it was abolished confirm that view. Since the death penalty was abolished we have seen an upsurge in the number of armed robberies, an upsurge in some of the most violent and nasty murders and the growth of terrorism in Northern Ireland and elsewhere. I believe that these murders will stop only when the death penalty is restored and when we listen to the voices of our constituents and the majority of the people of Europe.

**Mr Schwencke.** — (DE) Madam President, the previous speaker has made extremely clear what concerns him. The same things concern me too, but they lead me to the opposite conclusion.

Yesterday's debate was very outmoded. Since the age of enlightenment the questionable nature of the death penalty has been perfectly clear at least to those who accept the principle of humanity as a basic political tenet. For an enlightened civilization, and one which maintains it is based on democracy, the death penalty, for whatever crime in war or peace-time, is an affront to dignity. Now that corporal punishment and life imprisonment have been long abolished, the death penalty is a relic of a bygone, lawless age.

*(Scattered applause from the left)*

We shall be doing nothing less than establishing a fundamental right when, as I hope, we vote by a large majority for the abolition of the death penalty.

It was also outmoded talk yesterday, when some speakers called for the vengeance of the State. I believe that this is the wrong way to put the question. The question is not first and foremost what punishment a murderer deserves, but what we can morally mete out to him. The fact that he has killed should not mean that we, acting for the State, should also kill. All this does is to create further injustice.

In addition, Madam President, ladies and gentlemen, for more than 5000 years we have had a commandment which states 'thou shalt not kill'. That is, and remains, valid.

*(Applause from certain quarters)*

**Mr Galland.** — (FR) My reason for abstaining in the vote on Mrs Vayssade's report, Madam President, has not yet been mentioned. To vote against the report would, of course, lead people to believe that I am in favour of the death penalty, which I am not, so long as certain conditions are met.

What I do believe is that punishment benefits from being exemplary. I am certain that for some crimes the law must lay down long sentences or life imprisonment without any possibility of remission.

Had Mrs Vayssade's report said this, I could have voted in its favour, but I do not consider that it is plain enough on this question of the need for rigour in the law. It is not impossible to reconcile humanitarian principles, principles in keeping with Western civilization and which allow us to abolish the death penalty, with lawmaking which is severe enough and explicit enough to provide a deterrent through exemplary penalties. I do not feel that such a balance has been struck, and shall, therefore, with great regret, be abstaining.

**Mrs Baduel Glorioso.** — (FR) We shall vote in favour of the Vayssade report, Madam President, even though the House did not accept an amendment submitted by Mrs Lizin and myself on the suspension of execution of those already condemned in a number of countries. In saying this I believe I represent the vast majority of the Italian people, who, despite the serious threat which terrorism represents for them, are showing through their serenity and their democratic will that justice and vengeance are not the same thing.

*(Parliament adopted the resolution)*

\*

\* \*

**President.** — We now move on to the *Irmer report (Doc. 1-136/81/A, B and Annex): Accounts of Parliament for 1979.*

(...)

*Proposed decision IV — all the amendments.*

**Mr Irmer, rapporteur.** — (DE) Madam President, the Committee on Budgetary Control is against this amendment, and to save time may I also inform you that the same applies to all the remaining amendments — Nos 1, 2, 3, 7, 8 and 9. The Committee on Budgetary Control recommends rejection of all of them.

**Mr Aigner, Chairman of the Committee on Budgetary Control.** — (DE) Madam President, may I say by way of explanation that we do not reject these amendments because we are against them in principle but because they are really agricultural policy questions which do not belong in this resolution. It should not be assumed just because we now reject them that we are in any way opposed to the substance of them — it is just that they do not belong in this report. I therefore ask Parliament simply to abstain on these amendments, since this is not a task for the Committee on Budgetary Control.

(...)

*Written explanation of vote*

**Mr Bonde, Mr Bøgh, Mr Hammerich and Mr Skovmand.** — (DA) The representatives of the People's Movement are opposed to Mr Irmer's comments accompanying the decisions granting a discharge on the implementation of the budget of the European Community for the 1979 financial year for the following reasons:

- the budget is a necessary but not a sufficient basis for expenditure on the part of the Commission which has no legal basis in a Council decision;
- Parliament is again attempting to extend its powers at the expense of the Member States' right of veto in the Council of Ministers;
- it is suggested that the right to grant a discharge is misused as a means of pressing the Commission into illegal acts.

The representatives of the People's Movement would sound a warning against a possible alliance between the three supranational bodies, i.e. the Commission, the Court of Justice and Parliament, which, by means of new interpretations and new practice, could bring about a real shift of power between the institutions at the expense of the Member States' right of veto in the Council of Ministers, and would advise the national delegations in Brussels to report immediately to their governments concerning the fact that the majority of this Parliament is contemplating using the discharge procedure to blackmail the Council, and, in particular, we call on the Danish Government to state that the conferring of the authority to grant discharge does not, as far as Denmark is concerned, imply the transfer of any new powers whatsoever to the supranational European Parliament, and that any payment by the Commission based solely on the budget would be regarded by Denmark as illegal and lead to an appropriate reaction.

(Parliament adopted the resolution)

\*

\* \*

**President.** — We move on to the *Kellett-Bowman report (Doc. 1-59/81): Budgetary control aspects of the Joint Research Centre Establishment at Ispra.*

(...)

(Parliament adopted the resolution)

\*

\* \*

**President.** — We move on to the *Kellett-Bowman report (Doc. 1-66/81): Budgetary control aspects of the data-processing centre of the Commission of the EC.*

(...)

(Parliament adopted the resolution)

**President.** — We move on to the *Gabert report (Doc. 10695/80): 'Como butter' case.*

(...)

*Written explanation of vote*

**Mr Bonde, Mr Bøgh, Mr Hammerich and Mr Skovmand.** — (DA) The representatives of the People's Movement are opposed to Mr Gabert's report on the 'Como butter' case for the following reasons:

- we contest the right of the Court of Justice of the European Community to extend the Commission's powers of control in the Member States;
- we reject Parliament's wish for still greater powers to be given to supranational officials in the territories of the Member States;
- we maintain that, under Danish Law, the European Community cannot collect 'own resources' from Danish taxpayers unless the funds in question are covered by Danish fiscal law and entirely subject to the control of Danish authorities set up for that purpose.

(Parliament adopted the resolution)

**President.** — Finally, we come to the *Dankert report (Doc. 1-174/81): Ninth Financial Report on the EAGGF (1979).*

(...)

*All the amendments*

**Mr Irmer, deputy rapporteur.** — (DE) Madam President, the Committee on Budgetary Control was unable to consider the amendments in a vote. Mr Dankert, making a personal recommendation as rapporteur, expressed the view that all the amendments should be rejected. The chief justification for this is the one which Mr Aigner gave just now for rejecting the other amendments, namely that this vote implies no judgment on the content of the amendments, but that it is simply a matter of excluding agricultural policy questions from this decision which is solely concerned with technical budgetary matters. I therefore recommend that all the amendments be rejected.

(...)

(Parliament adopted the resolution)

6. *Fifth annual report on the ERDF (continuation)*

**President.** — The next item is the continuation of the debate on the Martin report (Doc. 1-181/81).

**President**

I call Mr von der Vring.

**Mr von der Vring.** — (DE) Madam President, every year we are forced to admit yet again that the gap between the richer and poorer regions of the Community has grown that much wider. Throughout Europe, people are becoming more concerned at this continually increasing gap, and maybe even the Council of Ministers will begin to get worried about it soon. Every time the gap widens that little bit more between the rich and the poor it is not just a blow for the Community — which once upon a time promised to achieve convergence — but is much more, as it threatens the very existence of the Common Market. I hope that my colleague, Mr Arndt, is listening to me, even though he seems to think he can carry on his own private conversations at the top of his voice. If disparities in prosperity continue to increase, we are likely to see a whole new wave of migration within the EEC.

What this portends can be seen from the fact that, only this month, the Prime Minister of the German *Bundesländer*, in a fit of provincial ingenuousness, have called for a curtailment of the free movement of labour within the EEC. It is obvious that there is something fundamentally wrong with the Community.

If we are to look for new solutions, we must first of all analyse carefully the reasons for our present problems. At this point I feel bound to draw attention to a few difficulties where the Commission's description of events and facts is concerned. The Commission holds the view — based on statistics — that the ominous increase in imbalances in the Community started at the beginning of the 1970. This prompts us to ask what happened ten years ago to cause the Community to take the wrong road. But this question would be misplaced, for the simple reason that we measure the regional standard of living on a *per caput* basis. In the 1960s, since there was full employment in the north of Europe, many people moved there from Europe's peripheral areas. The resulting effect on the statistics was that the income per inhabitant in these peripheral areas seemed to have gone up, whereas there had in fact been no economic changes there whatsoever.

Since the beginning of the 1970s, this wave of migration has ebbed, the optical illusion of prosperity has vanished from the statistics, and the disparities have been laid bare. The economic backwardness of these peripheral areas has been a feature of the development of the European Community ever since its inception. It is in fact a systematic effect of the Common Market that the weaker regions do not have sufficient economic strength to keep pace with the stronger ones.

Madam President, today we are forced to acknowledge that the Regional Fund, important as it is, is just not able to counter the regional divisiveness of the Common Market on its own. It would not be able to redress the imbalances even if we were to quadruple

the funds earmarked for it. If we are to avoid a renewed aggravation of the European migrant-worker problem, if we do not wish to see the Community undermined and damaged through the rebirth of national and regional protectionism, we must look for new ways and new instruments, and devise new policies to try and redistribute wealth throughout Europe. This means that we have to undertake the unpopular task of convincing citizens and politicians in the prosperous areas of Europe that they are endangering their own future if they are not prepared to make sacrifices here and now in order to facilitate the basic recovery of Europe's poor regions.

## IN THE CHAIR: MR PFLIMLIN

*Vice-President*

**President.** — I call the Commission.

**Mr Giolitti, Member of the Commission.** — (IT) Mr President, I want first of all to thank Mr Martin on behalf of the Commission for his report which does indeed concern the operation of the Regional Fund in 1979 but which in fact covers, as it were, the whole range of problems which the Community's regional policy has to cope with. I could almost look on his report as a kind of catalogue or complete compendium of the problems we have to face and the proposals which have to be considered and which Parliament has been drawing up for some time now.

I am also grateful to the Members who tabled the three questions which are linked to the Martin report and which I shall answer here, along with my comments on that report. It goes without saying that I appreciated all the other speeches, too, and I listened to them with a great deal of interest and attention.

From all these elements — the report, the questions, the speeches — I think we can extract a series of very relevant comments, especially on what might be termed the unhappy aspects of the Community's regional policy and in particular the functioning of the Regional Fund. If these unhappy aspects exist — and this debate on the Martin report has made this perfectly clear — the reason is often that the Council has failed to act in response to the Commission's proposals. Speaking for the Commission, I can say as a result that I have no hesitation in happily echoing the criticisms and the suggestions which have emerged during this debate and which are contained in the documents which in fact prompted the debate.

I should like to add, Mr President, that these criticisms and proposals from Parliament are particularly helpful

## Giolitti

at a time like this, and I mean at a time when, with the Commission having to respond to the European Council mandate, we are working out guidelines for the regional policy, and at a time when we shall be working out guidelines and priorities from the recent report on the socio-economic situations of the Community's regions. Another point is that everything said here will be helpful when it comes to reviewing the Fund Regulations. I have been asked, perhaps a little bitterly, on this point: 'But when is the Commission going to present its proposals for revising the Fund Regulation? Is the Commission not behind schedule? Should these proposals not have been submitted before the end of 1980?' I agree, this was the date that was mentioned. However, as I have already told Parliament before — both at meetings of the Committee on Regional Policy and Regional Planning and during plenary sittings of the House — we felt we should be making a serious mistake and not doing the right thing by the regional policy if we considered it apart from the mandate, that is, apart from the overall examination of all Community policies. Among these policies we want the regional policy to have the importance it deserves, the maximum importance it can be given. In the circumstances, therefore, with this new factor introduced by the European Council mandate, we put off revising the Regional Fund until we have worked out the more general and longer term guidelines which will serve as a framework for the Fund Regulation.

I was particularly interested to see that a great deal of attention was devoted to what, I agree, are the two main innovations in the operation of the Fund since 1979: the non-quota measures and the integrated operations. These are two types of approach we intend to develop — I can tell you this now — in the guidelines we are working out for the purpose of the mandate. Then, in the case of the Fund Regulation, we intend to go on with what we have already outlined in the last regulation which was applied in practice to the non-quota measures and the integrated operations.

On the subject of the non-quota measures, Mr Diligent asked a specific question regarding the situation in the textile sector. I must point out that the proposals for specific Community measures for regional development — which is the precise name for these non-quota measures — were not adopted by the Council until October 1980, although the Commission had submitted them in 1979. This meant there were delays in presenting the programmes in connection with the specific measures, but we are now getting these programmes under way for the most part. All this was bound to cause delays — and the Commission is the first to regret this fact — in drawing up and submitting new proposals, although I do not think this is going to take much more time. Until we have changed the regulation we must comply with the criteria laid down in Article 13, and this also covers new measures to be financed under the non-quota

section. Although bound by the regulation, the Commission will definitely take a look at the suggestions of the European Parliament, including the one put forward today by Mr Diligent.

One thing I want to point out is that problems stemming from the crisis in the textile industry get a mention in some of the programmes submitted by the Member States in implementing the specific Community measures to help the development of certain French and Italian regions. This proves there is no bias as regards the problem mentioned in Mr Diligent's question. As for Mr Griffiths, who pointed out the need to speed up the formulation of fresh non-quota proposals, I can give a positive answer as far as the Commission's commitment to this is concerned. Mr Griffiths also mentioned two problems which occur in Mrs Martin's report and which primarily affect France: the problem of the overseas territories and *départements* and the use of their share of the Fund, and the problem of Community inspection of regional policy. With regard to the Regional Fund in France, I can assure him that we are working towards a satisfactory outcome to these two problems which have been conveniently mentioned here.

Whenever there is mention of non-quota measures and integrated operations, people think of course of the need for an overall view and for a clear, consistent and planned approach on the issue of Community regional policy. I can see that this need has been forcefully expressed in the question tabled by Mr Ruffolo and others. With regard to their question, I want to say that the Commission is fully aware of the importance of a frame of reference and a planned approach for regional and Community policies on regional development. With this in mind, the Commission has been preparing regular reports on the economic and social situation in the regions of the Community and these reports also include medium-term forecasts, for example, on job prospects. The Council is to have a look at these in connection with the Community's medium-term economic programme. Also, the operations of the European Regional Development Fund are designed to be compatible with regional development programmes.

Although the Commission has no comment to make at the moment about setting up a new European development body — which is what Mr Ruffolo is calling for in his question — we agree that when it comes to using the Regional Fund the efforts of Community bodies must not be restricted to running the Fund but must include to an increasing degree responsibility for producing ideas, promotion, planning and technical assistance. This is the kind of work that should be done by an organization like the one suggested by the Members who tabled the question I mentioned a moment ago.

I do not think that this approach which can be found — as I said — in the question tabled by Mr Ruffolo

**Giolitti**

and others must be regarded as an alternative or indeed opposite approach to the overall view of Mediterranean problems which Mr Pöttering mentioned. He it was who said we needed, also because of Community enlargement, a proper programme or plan for the Mediterranean area of the Community.

On the subject of the Mediterranean problems, Mr President, I must give an answer to the question which was tabled by Mr Muntingh and others. On 23 May 1979 the Commission recommended that the Member States should include in their regional development programmes measures stemming from other national or Community policies as well as those coming directly under regional policy. These other policies include Community environmental policy, which is in fact mentioned in the Muntingh question.

Community policy in the environmental field can, of course, lead to purification operations. We must remember, however, that the investments which Mr Muntingh links to the job problem which is particularly acute in the Mediterranean area is highly capital-intensive, and this means that relatively few jobs emerge. It is the Commission's view that other environmental measures, such as reforestation or the prevention of coastal erosion or urban renewal, could be effective in providing new jobs.

As for the protection of the Mediterranean region from the pollution mentioned in the question, the Community has passed Community legislation on pollution and it also plays an active part in the UN plan for the Mediterranean. To be sure, the Commission can finance building and infrastructure projects for the treatment of waste water through the European Regional Development Fund and by way of loans, observing the conditions of use of these facilities, exclusively on projects submitted by the governments of the Member States. This means that the governments of the Member States have to take the initiative in this area, but the Commission will do its job to encourage and promote such initiative.

I have had to be brief, Mr President, but I think I have managed to convey the fundamental Commission view on the vast range of problems which was brought to our attention by Mrs Martin's report, by the questions and by the various speeches we have heard. Once again let me say how grateful I am for the contribution they bring to deeper consideration of the matter and to the formulation of solutions suited to the serious, acute and pressing problems we still have with Community regional policy.

**President.** — The debate is closed. The motion for a resolution will be put to the vote at the next voting time.

#### 7. Community regional policy and Northern Ireland

**President.** — The next item is the report (Doc. 1-177/81), drawn up by Mrs Martin on behalf of the

Committee on Regional Policy and Regional Planning, on Community regional policy and Northern Ireland.

I call the rapporteur.

**Mrs Martin, rapporteur.** — (FR) Mr President, ladies and gentlemen, the report I am presenting to you is the outcome of the motion for resolution tabled by Mr Hume and consort; in the light of the events of the past few months it is particularly appropriate for it must be said that the troubles which the Northern Ireland region has known, and indeed those which it is suffering today, are not unconnected with the socio-economic situation.

So that I could report to you properly on the problems which this region of our Community is suffering — and so that I could have a better appreciation of them myself — I visited the province and I would like to thank in this Assembly all those who helped me during my visit. I should make it plain that this is only a preliminary study, but I trust that this report will make you fully aware of the range of problems facing the people of Northern Ireland.

Northern Ireland is a small region of just under 11 000 km<sup>2</sup>. It has a total population of 1.5 million and a working population of 600 000; its economic and social characteristics are summed up in a very high rate of employment and one of the lowest per capita incomes of the Community.

At the end of last year average unemployment was in excess of 16% of the working population and was over 32% in certain areas. This unemployment is the result of a sharp decline in vacancies resulting from the decline in the traditional industries such as shipbuilding and textiles. These two alone employed 89 500 people in 1950; today they employ only 25 400. At the same time, agriculture, which is a far larger employer than in the rest of the United Kingdom, accounting for 10% of employment in the region as opposed to 3% for the whole of the United Kingdom, has reduced its workforce by half since 1950. This decline in employment is made all the worse by one of the highest birth rates in Europe, which brings a high rate of job demand in its wake.

The troubles Northern Ireland has known for the last ten years or so have also harmed the region's economy, particularly tourism which seems to have potential for development, and the distributive trades. The troubles have also had their harmful effects on living conditions and the environment, particularly in the urban areas of Belfast and Londonderry, the more so in Belfast where it has not yet been possible to start reconstruction: I know because I have seen it during my visit to Belfast with Mr Taylor and Mr Paisley. And yet, when the public, particularly young people, no longer have enough room at home, when they have

**Martin**

nothing to do — for there is no work — they are open to any temptation . . . And when in addition they are living against a background of violence it is quite natural for them frequently to be attracted by it. This I say because I believe it: the desire for peace is closely linked to living conditions and employment. That is why we have a duty to do everything we can to help this region of our own Community find the way out of its present problems.

We must do it all the more urgently since the problems involved are so wide-ranging that there can be no doubt that many years will be needed to put things right.

This is why our Community felt that Mr Hume's motion for resolution was so appropriate and why we ask you to approve the conclusions of the motion: they can form the basis on which we can start to rebuild the region.

What we must do is ask the Commission to draw up a schedule of more Community intervention — not just ERDF — since the United Kingdom joined the Community, because what we must first do is measure what impact Community aid has on the economic and social development of Northern Ireland, on the creation of stable and productive jobs and raising the standard of living. Community aid has not been negligible, but all too often it has unfortunately been retained by the United Kingdom Government as reimbursement of its own proposed expenditure in the province, rather than being additional expenditure. That is a problem with which we are already familiar.

We must also invite the Commission to assess, on the basis of the new regional development programme which the British Government is to forward to the Commission, the economic outlook for Northern Ireland, together with the Community objectives and the measures and resources needed to achieve a certain parity of living standards and employment in relation to the Community average, and then check that this regional development programme covers the whole province of Northern Ireland, that it is comprehensive, coherent and independent, and above all that the local and regional authorities are involved in drawing it up. That, I feel, is the essential element if this region is to be helped to develop on its own, and without which little or no progress will be made.

We must also ensure that Northern Ireland receives an appropriate share of the special financial contribution paid to the United Kingdom, particularly to development infrastructures. The Committee hopes that the Commission will make a particular study of demographic projections and medium and long term job creation requirements; guidelines for land use and decisions on infrastructure; guidelines for industrial structure; development of agriculture and food industries, particularly to combat rural unemployment, which is no less serious for being less obvious; opening

the Community market to products from Northern Ireland and research into technologies with commercial potential; introduction of incentive measures for industrial development such as tax exemption for at least five years designed to encourage the creation of new industries and tax reductions on profits from exports; prospects for tourism; the role and coordination of local and regional development agencies — for, I would remind you, the Irish themselves must be given more and more responsibility for their own affairs; professional training and setting up a management training centre; special programmes for rural areas where unemployment is highest and the role of subsidies to counteract 'natural' disadvantages. As regards transport costs, the principle of 'territorial continuity' should be recognised by equating the cost of the crossing between Great Britain and Northern Ireland with the cost of the journey by rail. As regards the higher cost of energy, an 'integrated' system should be introduced for the whole of the United Kingdom, applying the same price everywhere, and above all, as a matter of urgency, the renewal of housing stock and renovation of accommodation in certain areas (particularly Belfast), since job creation must be linked with improved living conditions.

I am convinced, Mr President, — and I have now almost finished — that by making the situation clear, by identifying the goals to be achieved and the means to be used in their achievement we can, if it is the will of Europe, make a start on rebuilding Northern Ireland.

**President.** — I call the Socialist Group.

**Mr Hume.** — Mr President, as a representative from Northern Ireland and as author of the resolution that led to Mrs Martin's report, I should like to begin by expressing my deep appreciation and gratitude to Mrs Martin for the excellent report she has produced, and not only for the report but for the extraordinary amount of work she put into it, including a three-day visit to Northern Ireland, where she met every interest there in a very gruelling schedule. I think she deserves the appreciation of everyone for the effort she has put into it.

*(Applause)*

Everybody knows, Mr President, that there is a political crisis in Northern Ireland, but not everyone is aware that there is an economic crisis of almost similar proportions. When I introduced this resolution to this Parliament in November 1979 on behalf of the Socialist Group, the level of unemployment in Northern Ireland was 12%. Today, as I speak, it is over 17%, and by all reliable estimates it is likely to reach over 20% by the end of this year. Already 1 in 5 adults is out of work in Northern Ireland, and in large pockets of Northern Ireland in both rural and urban areas unemployment has been well over 30% and close on 40% for the past decade. Nowhere in Europe can

## Hume

match the figure for the town of Strabane — 34.6% unemployment, i.e. 1 out of 3 adults out of work. Can any other area of Europe claim to have such acute unemployment problems?

Related to those problems is an equally bleak picture of general social deprivation. In Belfast 1 out of 4 houses lacks basic amenities. Poverty is widespread, as reflected in the high level of payments of supplementary and welfare benefits. A report prepared by and for the European Commission indicates that 40% of all households in Northern Ireland are below the poverty line.

However, I do not want to waste the limited time I have in this debate on statistics of unemployment, poverty and deprivation. I think that my case has been fully endorsed by Mrs Martin's excellent and comprehensive report, which has been unanimously adopted by the Regional Affairs Committee, and also by the equally comprehensive report of Mrs Dekker, which has been endorsed by the Social Affairs Committee of this Parliament. In short, the dossier is there for all to see. Neither has the British Government, the authority responsible for Northern Ireland, challenged the case. On the contrary, in fact. When the resolution was first presented British MEPs were asked by the Government, through the Northern Ireland Office, to support this resolution, and I would like to express my appreciation of that action by the government.

However, what I want to get across to this Parliament this evening is the very difficult economic and social background which we, as politicians engaged in trying to find a political solution to the overall problem of Northern Ireland, must work against. It is an economic and social background which is heartbreaking, saps hope and deprives people, especially young people, of their rightful expectation of growing up in a society which will offer them the opportunity of fulfilment. I am personally convinced that the search for peace in Northern Ireland is intimately linked with the winning of better living and working conditions. Violence has cost us jobs as well as lives, but no one can be asked to build a peaceful political system on the ruins of a shattered economy. It is here, in the economic and social sphere, that the European institutions have a special role and a special responsibility given to them by the Treaties in the inspiring words

To create, by establishing an economic community, the basis for a broader and deeper community among peoples long divided by bloody conflicts.

If there is idealism in this Community and if there is a human face, then here is an area which is troubled today and which this Community can step in and assist.

The three Northern Ireland Members of this Parliament — and let us not disguise the fact that we have deep and indeed bitterly divided views on the political

situation in Northern Ireland — today make common cause in this Parliament. Today we speak with one voice on the issue of economic and social deprivation in Northern Ireland. We appeal to this Parliament and to the institutions of this Community for solidarity and for practical help. We appeal to you in the name of our common concern for the future of all our people in Northern Ireland.

What do we want you to do? We know and we appreciate that in many ways Northern Ireland benefits from priority treatment from the Community. Here I would like to pay a very warm tribute to Commissioner Giolitti and his colleagues in the Commission for their sensitivity to our problems and for their willingness to help. Commissioner Giolitti has not been slow to visit Northern Ireland and to see for himself and to express his willingness to help.

The Commission has supported the introduction of several programmes to benefit Northern Ireland. I think, for example, of the special measures to support agriculture and of the integrated operation proposed for Belfast. These actions are naturally welcome to us. Indeed we have lobbied hard and persistently for them.

However, the fact is that despite all these measures, despite the fact that of all the regions in the Community Northern Ireland receives the highest *per capita* aid, apart from Greenland, something is clearly going badly wrong and the aid is not having the effect it is intended to have. Since this resolution was introduced unemployment has risen from 12 to 17% — increased by 50%. Some of the things which have gone wrong are linked to our membership of the European Community. We have lost huge sections of our once prosperous man-made fibre industry, for example. The very day that Commissioner Giolitti announced the new proposals for the non-quota section in border areas a large textile plant in my own city closed down depriving 600 people of work, and that was only last week.

We are therefore asking, as a first step, that the Commission should carry out a rapid study of the impact of Community membership on Northern Ireland. We appreciate that no such study can be exhaustive, nor do we need it to be. It should be a first short step. More importantly, this study should review the prospects facing the Northern Ireland economy. We want to know what kind of future we have or whether we have any future at all. What can we offer to give hope to the young school-leaver in Northern Ireland today, to the shipyard worker who has been made redundant, to the health and community worker or the construction worker who have lost their jobs by the thousand because of the drastic cuts in public expenditure and because of economic collapse? The next step after such a study, of course, is logical — we have to plan and have a plan for our future. We must make an assessment of the potential of the Northern



**Hume**

Ireland economy, of what measures we must take, of what investment is needed, of what new patterns of life and work and pay are called for if we are to offer any hope to the people in that strife-torn area.

A number of detailed suggestions for economic development are made in the report. My two colleagues from Northern Ireland, Mr Taylor and Mr Paisley, have for their part made a number of extremely valid proposals and suggestions, and we together call on the Commission to consider these ideas and we intend to develop our thinking and proposals in the month ahead. The approach we are urging to regional policy in relation to Northern Ireland is, in fact, the approach urged by the Commission itself and fully supported by this Parliament in our advocacy of regional development programmes. We wanted, in other words, to be taken seriously for a change, because for us it is literally and factually a matter of life and death.

If a proper regional development programme is to be drawn up and if the contribution of the Community is to be clearly identified, then we will have to come to grips once and for all with the question of additionality. If the Community is to have a positive effect in Northern Ireland, then its aid must be channelled visibly and channelled directly. We realize, of course, and we openly state that financial resources and solidarity will at the end of the day be needed, but we see this as a question to be tackled at the appropriate time, not here and now. So I am calling today with confidence on this Parliament to endorse this resolution. I am hopeful that the broad basis of support which it has gained throughout the Northern Ireland community will be reflected by broad support in this Parliament. In my eyes this Parliament will fulfil its responsibilities and live up to its role by adopting this resolution.

Each institution of this Community complements the other, it will then be for the Commission to put practical shape and to inject its expertise and experience, especially in questions of regional development, into the framework presented to it today with vigour, concern and with deep seriousness by this Parliament. It is the Commission which has the power to reflect and to propose. We call on it to listen to the message of this resolution and grasp the opportunity offered by it. It should report to the Parliament on the results of its work and its reflections before the end of this year.

I earnestly urge the Council also to take note at this stage of the resolution and of this debate, since it is in the Council that the question of financial resources will ultimately have to be settled.

We are at the beginning, Mr President, of a process which, with the help, patience, solidarity and practical concern of everyone, may help to begin to lead the people of Northern Ireland out of the darkness in which they now find themselves.

**President.** — I call the European Democratic Group.

**Mr Harris.** — Mr President, for the second time today I warmly congratulate Mrs Martin. Her report is one of considerable significance, and my group strongly supports it. Shortage of time, Mr President, enables me to concentrate only, I am afraid, on the amendment which I have moved myself; my colleague, Mr Taylor, will be the main speaker for our group for this debate.

The amendment I moved touches on that controversial issue of additionality, an issue which has been raised several times during today's proceedings. My group has always argued strongly for the principle of additionality, that is, that Community grants should be additional, and should be seen to be additional, to assistance given by the Member States. But I would hope that the House would make a modification to the wording of paragraph 5 of the motion for a resolution without changing the substance of that motion. I am afraid that the present wording could be used by the uniformed or the mischievous in that it takes the United Kingdom Government to task without making the point that all other governments also follow the practice of using some of the grants to help finance the assistance, which they give, particularly to industry in the regions.

I want to kill, stone dead any impression that somehow the United Kingdom Government could be lining its own pocket, as it were, with European money, or robbing Northern Ireland, or using funds improperly. I know that the three members for Northern Ireland are the first to acknowledge that the United Kingdom Government has put millions upon million of pounds into regional and social measures designed to help tackle the serious economic problems of Ulster; the problem which Mr Hume has spoken so eloquently about just now. Indeed, in 1979-80, Britain's expenditure in Northern Ireland was 944 million pounds out of a total public expenditure in the province of 2 483 million. 37% of that public expenditure — and I am not including the cost of security operations — was financed, and rightly so, from other parts of the United Kingdom, or the European Community. There is nothing to apologise for there.

Quite rightly, in recognition of Northern Ireland's social and economic problems, public expenditure per head is higher there than in England, Scotland and Wales. In 1980, the total allocation of Community funds to Northern Ireland came to 52 million pounds. In determining the level of public expenditure, the government says — and I believe it — that it takes these receipts into account and that the total is higher by these amounts than it otherwise would be, and that therefore the principle of additionality is kept. But what the report says and what we have always said is that we want to move to a situation in all Member States where it is clearly seen that help from the Community is additional. Mr President, I beg to move my amendment.

**President.** — I call the Liberal and Democratic Group.

**Mr Maher.** — Mr President, I too would like to compliment my colleague in the Liberal Group, Mrs Martin, for the excellence of her report, and particularly for the objectivity with which she presented it against a very difficult background.

Mr President, I want to make one point in particular. I don't think that we in the European Community or in this Parliament can continue indefinitely to avoid the political problem in the North of Ireland. I support fully and wholeheartedly every effort being made to relieve the economic distress in Northern Ireland. I fully support all those measures. Nevertheless it must be recognized that the resources which are badly needed there to create employment and develop agriculture and industry will continue to be wasted, at least to some extent, while the political problem of Northern Ireland remains and while the violence goes on. In that kind of society it is very difficult to make the best possible use of financial or other resources in order to bring about development.

It has struck me forcibly on a number of occasions that in this Parliament in particular we are always ready to discuss and interest ourselves in problems in Afghanistan, Zimbabwe or Vietnam or wherever. In fact, the further away these difficulties are or these problems arise — political problems or problems of violence or war — the more ready we seem to be to introduce motions of urgency and resolutions in order to discuss them. Here we have in our own Community as a whole not a very large one, but nevertheless an open wound, where there is suffering and distress and people are dying, soldiers and civilians. Yet we have stood back from this problem and not really interested ourselves as a Community in helping to resolve it. It is absolutely essential to provide as much economic aid and assistance as possible, but I still believe that that will have only a relatively small effect on the ground while we continue to avoid the main problem. Wouldn't it be reasonable to think that the other member countries of the European Community, who are joined with the UK and the Republic of Ireland in this family of nations, might help us and interest themselves more directly in trying to find a long-term solution to this age-old problem?

I make that suggestion in a constructive spirit and a spirit of friendship, because the last thing I want to do is to say anything that would make the difficulties worse than they are in the North of Ireland. I feel that somehow or other this problem that has existed since 1922 between the Republic and the UK is not going to be resolved unless there is intervention from an interested and concerned party who would have the influence to propose a solution and help us to achieve it. Only in this way can the other measures which we are so interested in introducing for the North of

Ireland begin to take effect in a situation where some return to normality can be brought about and where the investment we are making in agriculture and industry can, in fact, bear some fruit. The relationship between the Republic and Northern Ireland is extremely important from the economic point of view. We must live together, we must trade together. What happens in the South is important to the North, and vice versa. Therefore I would like to highlight this fact and appeal to the European Parliament to spearhead a move which will bear in on the political problem in order that these other measures can be made to be fruitful.

**President.** — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

**Mr Blaney.** — Mr President, I too wish to congratulate the rapporteur on a very excellent report. I also congratulate the three movers of the motion that gave rise to this report and I only regret that the machinery of our Parliament is such that it has taken a rather long time to deal with the report on a matter that is so urgent, as has been pointed out by various speakers and by the rapporteur in the report itself.

The situation in Northern Ireland is no doubt a tragic one. It is without question the most troubled area in the entire Community, and this without doubt places a special responsibility on the Community to set about in the best way it can to help to implement the request and the invitation of the report and to get down to the in-depth study of the problems which are affecting our people in Ireland to such a degree and to come up with, as early as possible, new additional proposals that would, even for the time being, alleviate what is undoubtedly a most difficult situation — a situation of unemployment and deprivation that is probably unequalled in any part of the Community, and which did not just happen yesterday, and is not the result of the last ten years solely. The last ten years is more likely the result of what has been a growing situation, a growing cancer if you wish, over the last sixty years if not longer.

I fully support what is being proposed in the report and will fully support any proposals that may emanate from the Commission as a result of what we are talking about in this report at the moment, because help is needed there, is needed badly and is needed urgently, for all of the reasons already outlined by my colleague, John Hume. He and the other speakers who have a very full knowledge of the situation — our other two Members from the six counties of Ireland — will be able to outline in detail, if that were necessary the sad sorry situation. However the 34% unemployment level that you have heard about speaks eloquently enough of the sad and sorry plight our people are now in, and that it will undoubtedly, on

**Blaney**

present indications, worsen before it gets better. This is unfortunately and evidently true. So we do not only wish this report to be adopted, if possible, unanimously by this House, to underline our concern for the sad plight of our people in Northern Ireland, but also to give the Commission the sense of urgency that really surrounds this whole situation at the moment.

As I have said elsewhere, I will support any and all proposals that may come forward. The only plea that I would make is that we pass the report unanimously, if possible, and that we place the urgency of it above all other considerations particularly within our regional policy, I am sure the Commissioner who has shown his concern by his visitations there will be at the forefront of pressing forward any proposals that may emanate from the studies that are being requested. I can only, as I say, join the others in recommending to the House, that they give it their fullest support and in that way underline the urgency of the matter, in the hope that something can be done much more quickly than at our normal pace of getting things done through the EEC. I am not reflecting on anybody when I say that, it is just that the paraphernalia is difficult to get through. Let us try to see if we could cut through the paraphernalia and really do something worthwhile and spectacular and quick, to try and relieve this very sad and sorry situation.

**President.** — I call the non-attached Members.

**Mr Paisley.** — Mr President, this is by far the most important debate held to date in this Assembly on Northern Ireland. We are all, and not least the Northern Ireland Members — Mr Hume, Mr Taylor and myself — deeply indebted to Mrs Martin for the diligent way in which she has prepared her report. She was widely welcomed in Northern Ireland, and though her stay was short, we hope she will come back again and see us in the province.

I am happy to say that I am able to give this report a general and generous welcome. Mrs Martin had the wisdom to keep her report in the main on strictly social and economic lines, and its cautious avoidance of party-political points is in my opinion its greatest strength. Of course that in itself is a welcome recognition of the fact that this Community has no jurisdiction whatever over the political or constitutional affairs of Northern Ireland, and a recent resolution of this Assembly underscored that important matter. We in Northern Ireland have suffered enough from foreign meddlers without the EEC also getting involved. Let me say explicitly that if political interference were ever to be the price of EEC economic assistance to Northern Ireland, then that is a price that neither I nor those whom I represent in this House would ever pay. Economic aid is not, and must not be, a licence or an excuse for constitutional or political meddling.

So I approach this debate solely on the basis of social and economic issues, and for that reason I have tabled Amendment No 2 so that the one potentially divisive political statement that is contained in the resolution may be removed. I refer to the suggestion in the eighth indent that full employment and a better standard of living in Northern Ireland would bring peace to my troubled province. I wish, Sir, that were true. I wish it were only an economic problem that we had to deal with. As is evident in this House, there is agreement between the three representatives from Northern Ireland on this economic problem. It is naive in the extreme to suggest that it is lack of jobs or a low standard of living that cause the Irish Republican Army to deny us the peace we all seek and callously to murder the people of Northern Ireland. The fallacy of that contention, Sir, is seen in the fact that the worst year of violence that we have had in Northern Ireland in the last 10 years was 1974, when our unemployment was at the lowest percentage: it was only 5% — less than one-third of what it is today. It is not a lack of jobs that causes the IRA to blow up factories which are providing employment for their own community. Let me illustrate this point. The British Government has spent millions of pounds on the De Lorean car plant, on the edge of West Belfast, where there is very high unemployment. What happened recently? That factory was bombed — bombed by the IRA, who gloried in the fact they had bombed — and as a result another seven million pounds had to be brought out of the British exchequer to keep that car plant in production.

I urge this Assembly to accept my amendment and therefore remove from this resolution the one section which could deny it cross-community support in Northern Ireland. By removal of the words I referred to, this resolution loses nothing but gains much.

What I have said does not in any way mean that I am unconcerned about unemployment and social conditions in Northern Ireland. Far from it. These great issues concern me greatly, and I have continually raised them in this House. With over 100 000 people officially unemployed — although the figure is more like 125 000 unemployed in reality — and with the fact that our textile industry, which in 1960 employed 58 000, now only employs 20 900, the sad state that we are in becomes evident. The needs of Northern Ireland are as great as they are obvious, and as such they demand urgent attention by this Community, which, let it be said, has to date received more from Northern Ireland than it has given to it. As a member of the British House of Commons, I have sought by parliamentary questions to probe this matter to the full, and these figures that I give this House are not my figures. They are the figures of the Government of the United Kingdom. Since Northern Ireland entered this Community to the end of 1980, it is credited with having paid into the EEC budget 166.7 million but received a gross figure of only 141 million. Of this 141 million given for Northern Ireland by the various

**Paisley**

Community funds, the United Kingdom Government admits in parliamentary replies that I have that it has retained 83.44 million to offset its own spending in Northern Ireland and passed on, as additional expenditure, a mere 57.66 million. That, I suggest to this House, is a public scandal which needs to be urgently examined by this Community, because not only is this a fraud by the United Kingdom Government on the people of Northern Ireland, it is equally a fraud on this Community, for the funds given for Northern Ireland by the EEC are intended to be additional to the national government's contribution to the problems of Northern Ireland. It is therefore imperative that following this resolution there is a special investigation by the Commission on this crucial point. I believe the question of additionality is the key to giving real economic aid to Northern Ireland. If the United Kingdom Government is allowed to continue to pocket 60% of all monies given by the EEC for Northern Ireland while that province sinks deeper and deeper into an economic quagmire, then surely this Community is almost as guilty as the United Kingdom Government.

In my opinion, the recognition of additionality as fundamental is one of the most positive things said in the whole of Mrs Martin's report. But for all this fine and wise words, this resolution will come to nothing if it is not acted on with expedition and concern by the Commission and Council. The Community has shown itself able and willing to act decisively in other areas, as for example, in response to the terrible earthquake in Italy a few months ago. Rightly so, of course, but it should be realized by all that we in Northern Ireland have suffered an economic earthquake which has thrown almost 1 in 5 of our workers out of their jobs and which has wrought havoc with many families and left a great gaping gulf between our province and economic prosperity. In terms of unemployment, Northern Ireland cries out for aid from this Community, and as this EEC has already designated Northern Ireland as one of its five areas of priority, I think then that it should be able through the Commission and Council of Ministers to see to it that the swallowing of funds at Whitehall is removed and that the funds from this Community are channelled to Northern Ireland.

I trust that this Assembly will give its wholehearted support to this resolution and that the Commission and Council will apply themselves to the tasks underscored in this report with a keenness and spirit that is capable of meeting at least some of the economic dilemmas which are facing us today in Northern Ireland. I would like to add that the resolution tabled by Mr Hume today is coming forward and is taking some effect and that I would identify myself with all the efforts that have been made both outside and inside this House in order that something may be done along the lines of Mrs Martin's resolution.

**President.** — The time obliges us to suspend this debate. It will continue tomorrow, after the first voting time.

*(The sitting was suspended at 8.05 p.m. and resumed at 9.05 p.m.)*

IN THE CHAIR: MR ROGERS

*Vice-President*

8. *Common organization of the market in sugar*

**President.** — The next item is the motion for a resolution by Mr Markozanis and others, on the proposal for a Council regulation (EEC) on the common organization of the market in sugar with particular reference to the 'masse de manoeuvre' or margin (Doc 1-221/81).

In the absence of Mr Markozanis, I call Mr Vardakas.

**Mr Vardakas.** — (GR) Mr President, ladies and gentlemen, during the negotiations on Greek accession to the European Community, the question was raised as to what sugar quota should be fixed for Greece under the system applying in the Community. But Greece, unlike the other Member States of the Community, produced only sugar and no isoglucose, and so the A quota for Greece was fixed at 290 000 tonnes for sugar only.

Since then the question has been raised concerning isoglucose production by Greek industries. As you are aware, the raw material from which isoglucose is produced is maize, of which there is a shortfall in the Community.

The proposal in Article 25 of the new regulation involving the reciprocal transfer of sugar and isoglucose production quotas means for Greece the compulsory reduction of its sugar quota, which in turn means that Greece is not even self-sufficient in sugar. If it is retained, this measure will adversely affect Greek sugar-beet production.

In these circumstances the fixing of the isoglucose quota independently of the already fixed sugar quota is perfectly reasonable and fair.

**President.** — I call Mr Dimopoulos.

**Mr Dimopoulos.** — (GR) Mr President, I have asked to speak both because Mr Godikas is absent and

**Dimopoulos**

because I am a co-signatory of this motion for a resolution. A sugar quota of 290 000 tonnes has already been fixed for Greece. This quota is not even enough to cover our domestic consumption. What we are asking is that isoglucose should not form part of the sugar quota fixed for Greece, since this would be to the detriment of Greek farmers. We are asking, therefore, that paragraph 4 of Article 25 be amended by deleting the word *reciprocal* and replacing it with the phrase *independently between them*. Thus, if an isoglucose quota is fixed for Greece, it should be fixed separately and not take up any of the sugar quota.

**President.** — I call the Commission.

**Mr Davignon, Vice-President of the Commission.** — (FR) Mr President, in order to simplify the debate a little and bring good news to the courageous Members still present, I can inform the House that the motion for a resolution has been overtaken by events in a positive sense.

The Commission now withdraws the technical provision of Article 25 and the Council of Agriculture Ministers meeting on Monday and Tuesday in Luxembourg has decided not to reduce Greece's sugar quota but to add 13 000 tonnes for future isoglucose production. The resolution proposes that Article 25 should no longer apply and now this part of Article 25 has been withdrawn. As regards the sugar quota, the additional amount granted to Greece by the Council deals with the problem as requested by the authors of the resolution.

**President.** — I call Mr Dimopoulos.

**Mr Dimopoulos.** — (GR) Mr President, after the satisfactory statement by Mr Davignon, we withdraw the motion.

**President.** — That is perfectly in order.

### 9. *Present economic and monetary situation*

**President.** — The next item is a joint debate on two motions for resolutions:

- by Mr Ruffolo and others, on measures to be taken at Community level in respect of the present economic and monetary situation (Doc. 1-283/81); and
- by Mr Bonaccini and others, on the repercussions of the dollar exchange-rate on the European economy (Doc. 1-288/81).

I call Mr Ruffolo.

**Mr Ruffolo.** — (IT) Mr President, first of all I should like to say that, after the presentation of the two separate motions for a resolution which you just referred to now, one on behalf of myself and my colleagues in the Socialist Group, and the other by Mr Bonaccini and other members of the Italian Communists, we noted that they basically converged and therefore we drew up a joint text which we submitted this afternoon.

In the new text we also took account of an amendment tabled this morning by Mr Herman on behalf of the Group of the European People's Party, on the need to harmonize the economic policies of Member States. On the other hand, we did not consider as acceptable another amendment which would have led to the removal of the first sentence of the motion for a resolution, in which reference is made to the responsibility which American monetary policy must bear — and it is my view that this responsibility is quite clear and obvious if the situation is analysed objectively and will appear from the few remarks I shall now proceed to make.

I shall now make two other brief preliminary remarks. Firstly, this evening's debate can under no circumstances replace the debate on the general economic situation which is supposed to take place during the next Parliamentary session in July. The second point is that obviously the paragraphs in our motion for a resolution concerning the second phase of the European Monetary System do not engage the responsibility of those amongst the Socialist Group who continue to have a critical attitude towards the European Monetary System in general.

I should like to remind you all, Mr President, that the motion for a resolution adopted by the European Parliament in April 1980, observed that, in spite of the undoubted resistance shown by the EMS during its first year of operation, this still appeared as a precarious and fragile structure from at least two basic points of view: firstly, there was no real move towards convergence between the monetary and economic policy of the participating countries, and secondly, there was no single policy with regard to the dollar. At the end of the second year of operation of the EMS, this appreciation is, in our opinion, totally confirmed. The shortcomings of the System have clearly emerged during the latest monetary fluctuations, and it has become particularly and dramatically clear that there is an ineluctable interrelationship between the lack of any real internal cohesion — this is shown by the recent worsening of the disparity between inflation rates in various Community countries — and the complete absence of a common policy with respect to the dollar — which has been highlighted by the Community's total inability to face up to the devastating consequences of American monetary policy. It is in

## Ruffolo

the light of the above experience that the European Council's decision now shows up clearly as short-sighted and rash, that decision having been to freeze the EMS in its present tottering state, and to postpone sine die the shift to final conclusion of its basic rules and institutions.

What has happened in the interim? International monetary disorder, under the united blows of the oil crisis and American monetary policy, has increased. The precarious EMS has not prevented fluctuations, mainly caused by the latter factor, from totally invading the economies of participating countries, without any common policy towards the dollar being able to soften the blow and without any converging monetary policies to share out the costs in relation to the objective ability of the various countries to meet the new challenge. American monetary policy gave up, at the end of November 1978, its benevolently *laissez-faire* attitude towards the flood of dollars and the fall in their exchange rate, by adopting a more rigorous policy of control of the money supply. At first, this change of direction was rightly heralded as a salutary readjustment of an irresponsible attitude, but in the last few months, the new American government, urged on by what one might well call a monetarist 'coup d'état', has transformed a slight change of direction into a radical change of course, which is this time moving wildly in the opposite direction.

It is quite clear, Mr President, that the effects of too strong a dollar are just as destabilizing for European economies as those of too weak a dollar. If the dollar is too weak, Community governments are faced with the choice between buying dollars in order to prevent their losing their value — thereby losing control of the money supply and generating inflation — or this would mean that their currencies fall in value in relation to the dollar and this leads to a recession. If the dollar is too strong, then they are faced with a quite different dilemma: if they sell dollars, in order to prevent a depreciation of European currencies, this creates a recession or they can let the exchange rates fall and this creates inflation at home.

Naturally, each country, as long as there is no common monetary policy, will react to this difficult problem according to the specific conditions which obtain there and its own priorities. The end result can be nothing more than a financial burden wholly borne by the Community, in terms of inflation or recession or of both together, of much greater scope than that which would occur were there some coordinated action programme. This is exactly what is now happening.

The Americans, with a policy which we might well define this time as being one of ill-intentioned 'Laissez-faire', by pursuing an all-out anti-inflationist monetary policy, via control of the money supply, which, accompanied by heavy demand for money, has repercussions on interest rates by pushing them

upwards and creating world demand for dollars which further boosts their value. Their answer to European complaints about the destabilizing effect of this attitude, is: we are setting our house in order, now it is up to you to do the same in yours! They say that when they have mastered inflation in America the results will be a stable dollar and a more balanced world situation.

However, it is easy to refute these statements. Firstly, the cure for this illness is such a harsh one that the patient, Mr President, is just as likely to die as to recover, and it is matter of no little importance to we Europeans to think that, in this particular case, we are the patients. Secondly, it is far from certain that Reagan's tactics, will produce the main result desired, that of throttling American inflation. On the contrary, there is good reason to think that this money supply policy, which forms the backbone of money supply control programmes, is already causing — and will cause even more in future — strong inflationist tendencies. If this is the case, we in Europe will get the worst of both worlds; the immediate recessionist effects of too strong a dollar today and the inflationist effect which a once more weakened dollar will have tomorrow. In sum, Europe will continue to dance to a tune called by the Americans, fast or slowly as they wish. What reply is the European Community able to give to this situation at the present time?

As its policies and institutions now stand, none of them are really effective. The state of Europe would seem to be totally dictated by American monetary policy and it is to be feared that, under pressure from such policy, the European Monetary System will finally give up the ghost and disappear as its animal forebear, the serpent did before it! The only effective response is, in our opinion, precisely the one which our Governments have abandoned: a rapid move towards accomplishing phase II of the EMS.

The salient points of Community action in this direction ought to be: firstly, to fix, in agreement with the United States if possible, but certainly between the countries participating in the EMS, fluctuation limits within which all European currencies should be kept in relation to the dollar.

Secondly, we should set up a real monetary fund, furnished with its own resources and able to issue a real payment and reserve currency — the ECU.

Thirdly, we should use this currency when intervening to bolster the ECU's exchange rate against the dollar in all intra-Community credit support operations and also in international operations aimed at freeing a significant proportion of external Community trade from the dominating influence of the dollar. I am obviously thinking of oil imports. In this way, not only would the Community be freed from the effects of indiscriminate fluctuations in the dollar, but it would help in creating a better balanced monetary system based on a larger number of reserve currencies and

**Ruffolo**

would help to solve the tricky question of recycling petrodollars in favour of the poorest countries of the Third World.

Naturally, such a bold step can only be taken if Community solidarity is given new impetus. We have to awaken that European spirit which has been so gravely damaged by the worsening Community situation in recent times.

In conclusion, Mr President, ladies and gentlemen, I should like to voice the hope that the new French Government, riding on the crest of a huge wave of desire for change and a new approach, may bring with it the impetus needed to reawaken Europe, to find a wholly and typically European response to this situation.

*(Applause)*

**President.** — May I just simply explain the rules regarding urgent procedure. The authors of the resolutions are allowed three minutes. If they speak beyond three minutes it is deducted from the time allocated to the groups for the period under which urgent procedure is discussed. So, if any one goes over three minutes that comes off group time.

I call Mr Bonaccini.

**Mr Bonaccini.** — *(IT)* Mr President, ladies and gentlemen, the Italian Treasury Minister has calculated that each time that the value of the dollar increases by 10 percentage points, there is a corresponding increase of 1½ percentage points in inflation. Variations in output levels for Community countries depend to a very great extent on fluctuations in the dollar exchange rate, and this is especially true for Italy, the United Kingdom, Benelux and Ireland. Real interest rates, which are 10 or 12 points higher than European rates, tend to create a harmful instability in exchange rates, in investments and in economic growth rates. The dollar's rapid ascension has led to a major worsening of the balance of payments' deficits of almost all our countries and of non-oil-producing Third World countries.

This has meant that, at a point in the economic cycle when we might have been able to re-balance our economies and give new impetus to the competitiveness of industrial sectors, the situation has been totally transformed into one which is destabilizing our economies which are already undergoing a grave crisis.

The recessionist and inflationist tendencies are further exacerbated by the haphazard fluctuations of the dollar. During 1980, the dollar underwent what were in fact three re-evaluations of ten per cent, each of which was separated from the next by a devaluation, once more of 10%, and now there are again signs that the dollar is falling off somewhat. The American

Government has resumed its biased and callous attitude towards the effects its behaviour can have on the economies of the rest of the world, especially on those of its allies, and seems to show a lack of interest in what happens to other economies which I can see no reason for defining as well-meaning. 'Reprehensible' and 'culpable' are adjectives which come much closer to describing the true situation. This is why we suggest in our motion, with a view to the Luxembourg Summit and the Ottawa Summit, steps which would lead to a frank assessment of the situation and to a debate stripped of all economic or political pretence. There are now too many elements in the conflict of interests — these have been mentioned here on various occasions — which point to the need for an initiative of this type for which Europe ought to prepare itself by adopting a systematic approach in order to reach a satisfactory agreement.

In particular, we should not forget that 6 years ago in Rambouillet, rules were established in order to avoid this type of interest rate war, which as far as we can see has had absolutely no effect. Therefore, we must be careful not to place all the blame on the United States and their policies. The Community and its Institutions are no less responsible. The most serious shortcoming was not having achieved the 'second phase of the EMS', without which the EMS does not exist. All that is operating at the moment is an intra-Community parity mechanism in which currencies move nearer to, or further away from, their fluctuation threshold. This is a system based on an obsessive, mutual control, a futile interplay of intra-Community deception aimed at hiding the obvious adultery being carried out across the Atlantic.

And let not anyone say yet again that the time is not yet ripe! It is far from impossible to introduce measures for the immediate stimulation of monetary cooperation, for example by increasing the use of the ECU in the internal and external relations of the Community, substituting the ECU for the dollar when settling accounts between Community central banks, by establishing one single uncrossed link with the Federal Reserve Board and so on: these are transitory measures which could revive the operation of the European Monetary Co-operation Fund and prepare the ground for the institution of the European Monetary Fund.

We hope that the President of the Commission will accept the feasibility of these proposals and no longer restrict himself to admonishing Governments as he did in Bruges a few days ago. We need something quite different! The crisis is very grave, and could come very close to killing the Community and its Institutions. But in the present situation precisely what we need is to give voice to the only possible and independent response we can, that Community cooperation be resumed and cohesive development of European integration and of its Institutions be continued. This is the final item in our motion for a resolution, submitted in

**Bonaccini**

conjunction with our fellow Socialist Members, and which we hope will lead to a broad consensus of opinion between all the Groups in this House.

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

**Mr Herman.** — (*FR*) Mr President, ladies and gentlemen, my group was about to give its backing to the Ruffolo report with one or two minor amendments — Mr Ruffolo has indicated that he has already accepted one of them — and to reject the Bonaccini motion for a resolution. I now learn that the two texts have been merged. Like the rest of you I have just received a copy of this new document, and after a quick look at it I think my group can go along with the new text, which in the main will get our support.

There are one or two points I want to make about the first paragraph, however. We feel that after seven or eight years of complaining to the Americans that they were not tackling their balance of payments deficit in a serious manner, were abusing their privileged position as issuing source of international currency and were not bothered about maintaining the value of the dollar, it is not very logical — and a bit off, if you ask me — to go on at them now because they are doing the exact opposite. We complained that our exports were hit by the dollar's fall. Now we are complaining that our imports are in trouble on account of the revaluation of the dollar. Mr Bonaccini told us that Italy's Treasury Minister calculated that every rise of the dollar was matched by increased inflation in Italy. I do not know whether over the last seven or eight years the same calculation has shown that whenever the dollar dropped on the market there was a cut in the inflation rate in the United States. It is a bit too neat and too simplistic. We have our own share of blame to bear because of the lack of any European monetary system. If we are jealous of the Americans' privileged position because their currency is a means of international payment, we have only ourselves to blame for not making the ECU as strong as the dollar, since the European Community is a much stronger commercial power than the United States.

We should therefore put our own house in order first. We, too, must learn to employ other means apart from monetary instruments, because the interest rates in our countries are not all that low. They are hampering our efforts to boost the economy even before there is any sign of interest rates going up in America.

As a result, I am ready to vote for this text but I want to propose an amendment to the opening phrase. It is all too easy to behold the mote in someone else's eye but I do not think it is the proper thing for a supposedly responsible Parliament to do. Apart from this small phrase which instead of being pointlessly hostile — thereby detracting from the calm and objec-

tive nature of the debate — ought to deplore the lack of an international monetary order and the lack of mutual efforts at coordination between the United States and Europe, and also within Europe, we shall accept and support this new text in the version which I have just received.

**President.** — I call the European Democratic Group.

**Mr Purvis.** — Mr President, following Mr Herman I suspect our respective groups are going to be much in accord in our approach to these reports.

In the past Europe has criticized the United States for exporting inflation, now we are complaining that they are exporting deflation. The common feature is only that American monetary policy, like every other American policy, has a major impact on Europe. As yet the converse is not as evident: Europe's monetary policies are not yet adequately coordinated and the USA's susceptibility to external influences is much less than Europe's. They are a more self-contained economy and better coordinated internally. The United States is a federation which has achieved the economic and monetary union to which we in Europe can only aspire and look forward.

There are lessons to be learnt from this. Volatile exchange rates, whether between EEC currencies or against others — the dollar or the yen — cause trade disruption, make business decisions difficult and subject to the rules of a gambling casino. How can businessmen, farmers, fishermen have any stability or plan ahead when one week they are in business, the next week they are unable to sell their goods at a fair price because they are swamped by a sudden flood of imports from a weaker currency area?

Lack of European monetary union is the last — almost the last — and certainly the most significant remaining barrier to achieving the true common market. Lack of any coordination or concertation of economic and monetary policies between the USA and Europe can only cause disruption to industry on both sides of the Atlantic. Competitive monetary policies will achieve little but a leap-frogging of interest rates and a lemming-like rush into the depths of recession and slumps.

None of us, not even the USA, can operate in isolation. Even if all seems successful in America what would it avail if Europe — America's closest ally in a dangerous world, America's most important trading partner — had strangled itself trying to keep up? And what on earth is the point — and here it is Europe's fault — of us all leap-frogging our export credits? Are we not just being played off one against the other?

I can only applaud that the OECD and the Bank for International Settlements have in recent days shown signs that lessons are striking home. Agreeing on



**Purvis**

priorities is a first step. Fighting and eliminating inflation is top priority. This is the essential precondition for genuine economic growth and genuine new jobs.

But this in no way precludes countries from having due concern for the interests of their neighbours. Creditor nations and debtor nations, high inflation nations and low inflation nations have equal responsibility for solving the problem. Begging your neighbour will only beggar you as well.

Therefore, the European Democratic Group advocates that the United Kingdom should join the European Monetary System in the interests of greater exchange-rate stability

*(Applause)*

which will not only help Europe towards greater unity, but will also provide British industry, fishing and farming with more stable trading conditions and offer them the benefits that they are due after the necessary difficulties and adjustments of the past few years.

We advocate that new political commitment must come from this Parliament, the Member State governments and the Council of Ministers to work towards European monetary integration for only with such political commitment can the Commission set about the execution of the next steps. We urge the Council to consider new initiatives to reaffirm and formalize European cooperation in the economic and monetary field with a commitment to work in concert. If we have our own House in order we are in a stronger and more credible position to coordinate our economic and monetary policies, our trade and aid policies with the United States and other nations.

**President.** — I call the Liberal and Democratic Group.

**Mr Delorozoy.** — *(FR)* Mr President, ladies and gentlemen, the motions for resolutions by Mr Ruffolo and Mr Bonaccini highlight the tremendous consequences for European monetary stability of the current value of the dollar on the exchange markets.

It is true that barely controllable money creation in Europe, the amount of hot money on the international scene, particularly eurodollars and petrodollars, and the general international monetary upheaval which has occurred, together with the inflation rates in the United States, are to a large extent responsible for the defensive position the Americans have adopted and which has taken the form of very high interest rates, designed to protect the dollar. I agree with Mr Herman on this point; we can hardly blame the Americans.

We now have this new document which has just been handed out and which incorporates the two motions for resolutions. After a quick look at it I think that, apart from a change to the first paragraph, the Liberal and Democratic Group can in all likelihood endorse this second document.

But I do want to take this brief opportunity of stating that what is clear is that there has to be some further development of the European monetary system even though, Mr Purvis, the ideal situation you were talking about just now must still remain a dream.

It is easy to say we should move on to the second stage. But achieving this is another thing. I am not sure that such a thing is feasible in the present economic circumstances of the countries in the European Economic Community. The Member States are reluctant to lose their scope for monetary and budgetary manoeuvring at a time of high inflation, stagnation and even negative growth, and to transfer to the European Communities the gold and currency reserves which are currently lodged with the European Monetary Cooperation Fund.

There is no denying that the EMS has worked well so far, although the differences in the margins of intervention still pose a real problem before the ECU can serve as a reserve currency and a means of payment.

In closing, let me say that the Liberal and Democratic Group will welcome a Community initiative aimed at greater harmonization of economic and monetary policies with a view to advancing the European monetary system. We firmly believe that there can be no real end to the present state of monetary crisis in Europe unless inflation is curbed and strict limits are imposed on money creation in each of our countries. Another point I want to make for the benefit of the Socialist Member who spoke earlier is that, speaking personally, I am not convinced that the new French Government is going to get anywhere in the coming months with the policy it plans to introduce, in spite of the hopes it has expressed.

**President.** — I call Mr Pasmazoglou.

**Mr Pasmazoglou.** — *(FR)* Mr President, I want to say that I heartily endorse both the original motion by Mr Ruffolo and the joint motion by Mr Ruffolo and Mr Bonaccini

I think the shock we have all had after the rise in the American interest rates provides the opportunity for arriving at the conclusions which are before the European Parliament this evening, in particular the strengthening of economic and monetary policies within the Community and the strengthening of the European Monetary System.

### Pesmazoglou

There are three things I want to say. Firstly, what we are doing is not an attack on the United States — just the opposite. It marks a strengthening of the positions in Europe for the sake of agreement with the USA, so that we end up with a world monetary and economic system which is much healthier and which conforms much more to the needs and interests of all people in the world.

My second point is that action of this kind to strengthen economic and monetary policies and the European monetary system basically has much wider aims in view, and these are boosting economic growth and helping to combat inflation and unemployment. The point is that this evening's proposals are vital for everyone in the European Community.

The third thing I want to say is that what is proposed this evening represents decisions of major political significance. This means we are dealing with factors which are absolutely essential for the continuity and strengthening of the Community as a whole.

As I said, Mr President, I think that this evening's decision, after the shock we have experienced with the rise of interest rates in the USA, represents a decision of major significance for the Community as a whole.

**President.** — I call the Commission.

**Mr Ortoli, Vice-President of the Commission.**  
— (FR) Mr President, the Commission has expressed and will continue to express ideas which are very close to those outlined in the motion for a resolution.

I myself have stated several times here that successful international monetary cooperation is vital as such but also requires the development of the European monetary system. I was not saying that just for the sake of passing comment but in the spirit of constructive help we have been asked to give.

It is true, Mr Herman, that we want to see a strong dollar but we also want it to be stable. The dollar is still the principal reserve currency and it is still used to indicate the price of oil and a number of other major raw materials. As a result, any sharp movement of the dollar has a financial and commercial impact on the whole system, affecting capital — I might add — via the exchange rates and income via the interest rates.

The most recent fluctuations have caused us real problems, especially at a time when our economies are on the verge of a modest revival, even though they are having to cope with intolerable levels of unemployment — affecting 7.5% of the active population — are being buffeted by inflationary trends and are having to put up with continued deficits in the balance of payments.

The ECU will have lost 21% against the dollar in 12 months, and although this is going to help our exports where they have to compete with American products, it immediately means we have to pay more for our oil imports. Together with the way interest rates have taken off in the United States — and the knock-on effect on our own rates — this pushes prices up farther, as the rapporteurs pointed out, and makes it more difficult to achieve our main objective, which is to succeed in combating inflation.

Secondly, investment becomes more hazardous. The fact is that investment is a key element in our plans for turning the corner. Investment requires less dependence on energy, encourages the speedy development of new technologies and industries, and is the main factor in determining real competitiveness and a new growth policy.

And then there is the budget burden. This is growing and running counter to our dual aim of reducing the deficit and altering the structure of spending, to help boost the economy and create more jobs, by restricting the margins for manoeuvre which some countries might have to support the economy. Naturally, it is hard to calculate the effects of all this, but even if they are marginal they do add up and are especially felt when the economy is troubled. As far as our economies are concerned, they need confidence to get going again, which means adapting to the new economic circumstances. One of the effects of monetary instability is that it increases uncertainty and makes people far too fearful.

Mr President, we have been asked to engage in more energetic action to coordinate economic and monetary policies and the institutions have been urged to be more forceful in this area. It is true that this more general aspect is directly linked to the monetary policy and its success, since we are not going to get anywhere with the European monetary system unless we can achieve better convergence.

A point I want to make is that I feel we at the Commission have helped here to sketch a design for genuine convergence with a series of initiatives. This is not to say we are entirely happy with the results we have achieved. I cannot say that the design is already perfectly clear. What I am saying is that at various levels we have proposed and sometimes implemented measures which, when you put them all together, show that there really is some progress towards policy coordination.

The Commission is not responsible for national budgets but it has recommended different but coordinated budgetary policies. Some were bound to be more stringent while others were based on the introduction of automatic stabilizers, which mitigated the inflationary impact of external causes, and lastly there were other policies which carefully exploited to everyone's advantage the available margins of manoeuvre. It is a direc-

## Ortoli

tive which I hope will be followed and which is directly linked to the concern about growth which has been voiced here.

The Commission does not control currencies but it has pushed through the principle of a gentle and not abrupt return to a situation of balance on external accounts. It has instigated common proposals on recycling. It has proposed and seen adopted the means of Community solidarity on the subject of balance of payments, and this was the loan you supported last October.

The Commission does not award major public contracts but it has asked the Community to institute a policy for new industry and technology which utilizes our research potential, takes advantage of our market of 250 million consumers and, in short, makes full use of the European dimension.

The Commission is not an employment agency and does not work out collective agreements or organize training courses, but we advocate an active policy in this field and ask for more money for the Social Fund, to be better spent on a narrower range of priorities: young people, the information required for new kinds of employment and the creation of new jobs. The Commission has no great banking structure but in concert with the European Investment Bank we stress that investment is a priority by doing something, by developing the Community loan instruments which have steadily expanded in recent years. The Commission has no central bank, no finance ministers and none of the massive clout of these institutions, but in the corridors of the Community we are working to develop common resources, consistent national attitudes and a common European front to the rest of the world, whenever our interests are at stake.

Believe me when I say that we feel free to think and to say what we want. We are aware of our political responsibilities and we do not feel shackled by the paucity of our resources.

We made use of this in connection with the main theme of this evening's debate. I have not disregarded the problems of relations with the dollar and the yen, but I have stood up here and said that the solution to these problems is vital if we want to get somewhere with the second phase of our European monetary system. The outline of this second phase is known and I want to say quite frankly that I do not think this means the pooling of credits in a European monetary fund, since this would just be an institutional reshaping of what already exists. It is important but it is not the main thing.

The requirements are straightforward. They are in fact a better organization of the international monetary system, which means better cooperation, especially with the United States, and the problem of third currencies which has been an unsteady problem lately.

Then we need better convergence of our economies and, in particular, alignment of inflation rates. We are not harbouring any illusions about this. If we do not succeed — and it is the old story of parallelism — we can say goodbye to the monetary stability which the second phase seeks. Another thing is to develop the role of the ECU as an international currency, with the option of using it with banks which are not part of the Community and the opportunity which we have asked for and obtained of using it as a loan instrument.

What all this requires is getting everything together in an organized fashion, which means that all the Member States will be in on something which will no longer be a series of important but impermanent arrangements, based on agreements between central banks, but which instead will be a formal piece of Community law and legislation, and as such everyone will be involved.

Getting back to the problem of our relations with the dollar, I said before that we took a definite stand. We have been firm on this and we have said so here. We said the same thing at the last European Council meeting in Brussels last December. We said the same thing again and raised the issue of coordinating concerted action on interest rates at the European Council meeting in Maastricht.

Like you, we realize that the Americans, in pursuing a vigorous policy to curb inflation, are helping themselves and helping their partners. Like you, we want a policy of this kind to be based on a meticulous budgetary approach as well as a strict monetary policy and we do not want the latter to bear the brunt — even if it could — of getting things back on an even keel.

Our position is quite straightforward. We are in favour, for others as well as for ourselves, of restoring the balance and we hope that this aim will be pursued steadfastly. We hope that this policy will introduce a range of measures which will not place an excessive burden on monetary policy alone. We feel that the measures applied, when it comes to the technique and the immediate results, must take account of the absolute principle which has to govern national policies in an external world with its tremendous pattern of interdependence, even if this is limited to the market. While sticking to these aims — as every state has to — each country when it acts must bear in mind the problems and the needs of its partners and it must be keenly aware of the external impact of its decisions. It must clarify its national responsibilities which — and I say this again — are not going to be jeopardized by a precise awareness of its influence on the way other economies go, and therefore of its responsibilities as a partner on the international scene. This is particularly true in the case of the monetary policy of the world's greatest economic power because it holds the main reserve currency, the currency which affects us all.

What this boils down to is mutual interest, and on our side it has to be backed by a readiness to understand

**Ortoli**

the constraints felt by others and their need to respond. It has to be backed by a demonstration of our own ability to take decisions, in cases where the answers to our problems depend on us and us alone. What this means in monetary terms is greater intervention as regards Community currencies, the development of the ECU, and this second phase, which may differ slightly from the way we envisaged it earlier but which will stand for the determination and the means to achieve a form of European stability doing what we want it to for our economies and the world. We need a range of actions to ensure that our policies to aid employment are better coordinated, and I remember this is what we proposed at the last jumbo meeting of the Council, where one of the things talked about was some kind of strategy on which the social partners had their say and which, I believe, was welcomed by them to some extent. It all boils down to mutual interest, and this is how we have to get round the table with the Americans.

What the Commission does not want — and it made this clear at the Council jumbo meeting, at the meeting of the Council of Finance Ministers on Monday, and at yesterday's OECD meeting — is to see monetary cooperation treated separately from overall cooperation and, say, trade cooperation. Cooperation affects all these angles and there is not a kind of superior cooperation while the role of currency in the world is pushed to one side. The Commission has advocated and will go on advocating a common stance so that each one of us, the institutions and the Member States, are speaking the same language and so that, sooner rather than later, we are speaking with one voice. We shall get the opportunity at the forthcoming western summit meetings.

This is the line we are going to pursue again with the European Council, and it is the same line we shall be putting forward at the next meeting of the Finance Ministers on 6 July. It is the same line which I hope to see — and which I find if I look at the resolutions — emerging from this Parliament, since I consider your support to be essential if we are going to carry on with what, after all, is not an attack but a sensible policy based on our interests and on the mutual interests of the whole world economy at a time when it has to cope with so much upheaval and with so many problems.

*(Applause)*

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

I have had a request from Mr Herman to be allowed to submit an oral amendment. I am afraid I cannot accept it, Mr Herman, because the deadline for the tabling of amendments has expired.

We were going to vote on the two motions for resolutions, but there is a properly tabled amendment from

Mr Ruffolo and Mr Bonaccini seeking to replace the two motions for resolutions that were submitted separately by a single text which has been printed and distributed. Pursuant to Rule 74 I require the agreement of Parliament to put this amendment to the vote. If the amendment is carried, rather than vote separately on the two resolutions we will just vote on one.

I call Mr Herman.

**Mr Herman.** — *(FR)* Mr President, we would be perfectly prepared to accept a debate on the single text — even though it has only just been distributed to us — on condition that you also are prepared to indulge in a little give-and-take with regard to an amendment which, I think, everyone endorses and supports. As a pragmatic Englishman, you should show a little flexibility!

**Mr Bangemann.** — *(DE)* Mr President, you have interpreted the Rules of Procedure quite correctly. It is true that no more oral amendments can be submitted, because otherwise the debate would get far too involved, but I would like to ask Mr Ruffolo and Mr Bonaccini if, as authors, they would be willing for us to vote on the first recital of the preamble separately. I am quite happy to suggest this for them.

I am sure that this conforms with the Rules of Procedure. I should therefore like to suggest that we vote on the first recital as far as the first comma in the German text, i.e. 'in view of the serious crisis affecting the European Monetary System' and then on the rest of the recital. This would enable us to adopt a position which conforms with the Rules of Procedure and which, I believe, would be acceptable to the majority of the Groups here, since we can assume that the second part of the first recital will not be adopted.<sup>1</sup>

**President.** — I call Mr Ruffolo.

**Mr Ruffolo.** — *(FR)* Mr President, I have no objection to the request made on the method of voting on the first indent and the rest of the motion for a resolution.

(...)

*(Parliament adopted<sup>1</sup> the resolution as amended by Amendment No 1 by Mr Ruffolo and Mr Bonaccini)*

**President.** — I call Mr Hänsch.

**Mr Hänsch.** — *(DE)* Mr President, in case it should make some difference to the result, I would like to

<sup>1</sup> By a roll-call vote requested by Mr von der Vring on behalf of the Socialist Group

**Hänsch**

point out that my voting button did not work and that I was therefore unable to vote.

**President.** — I call Mr Enright.

**Mr Enright.** — A point of mathematics. Ninety-three minus one equals ninety-two, but the machine said ninety-four was the difference in votes there. Can the machine have some extra tuition?

**President.** — You are quite right, Mr Enright. But it is not the machine that was wrong, it was me.

**Mr Enright.** — Mr President, I would never have it that you were wrong. It very clearly said up there that ninety-four was the difference. It did not say you had said ninety-four. You were reading from the machine. I know that you would not make a mathematical mistake.

**President.** — I call Mr von der Vring.

**Mr von der Vring.** — (DE) Mr President, for reasons of principle, but also because of the fact that we had a roll-call vote to determine exactly who is still present in Parliament, I would ask Mr Hänsch to note down in the list that his voting button failed to work, since he could do nothing about it. It constitutes a precedent.

**President.** — I call Mr Ripa di Meana.

**Mr Ripa di Meana.** — (IT) Mr President, since I was unable to vote from my seat because of a defect in the electronic voting system, I would ask you, for what it is worth, to note my name in the list of members who voted.

**President.** — That has been noted. I take it that the same applies in your case, Mrs Macciocchi.

#### 10. *Recent arrests of Czechoslovak citizens*

**President.** — The next item is the motion for a resolution by Mr Pelikan and others, on behalf of the Socialist Group, on the recent arrests of Czechoslovak citizens signatories of 'Charter 77' and the imprisonment for the last year of the spokesman for 'Charter 77' and former Member of Parliament Rudolf Battek (Doc. 1-284/81).

I call Mr Pelikan.

**Mr Pelikan.** — (IT) Mr President, this motion for a resolution is urgent because last month the Czechoslovak police arrested, at the Austro-Czechoslovak border, two French citizens, on the accusation of having attempted to carry, in their car, 'subversive' newspapers and books, a photocopier and a small sum of money in a foreign currency. A few days later 36 Czech citizens were arrested in Prague, Brno and Bratislava, all of them signatories to 'Charter 77', which is the movement in favour of civil rights. Amongst those arrested was the former Foreign Minister of 1968, Professor Jiri Hajek — who is a renowned member of the Socialist Party and a Resistance hero — and many writers and journalists. Some of those arrested were let out on bail, but are still accused of 'subversive activities with foreign connections', whilst 8 people are still held, being formally accused of the same offence, in accordance with Article 98, paragraphs 1 and 2 of the Czechoslovak Penal Code, which provides for prison sentences ranging between 3 and 10 years.

A new political show trial is therefore being arranged in Prague, with the aim of discrediting the movement in favour of civil rights, 'Charter 77', and of generating amongst the public, fear and resignation on the eve of the Czech Communist Party Congress.

Mr President, I know personally all the people arrested, who are well known in their country as intellectuals of stature and great talent, who have long been active on the political scene and in their own professional sphere. They are the writer Eva Kanturkova, author of many novels and of a book which was recently published in France under the title 'Twelve women in Prague', the historian and writer Milan Simecka (his book 'Establishing order' has also recently been published in France), the poet Jaromir Horec; ex-editor-in-chief of the newspaper 'Mladá Fronta' and vice-dean of the Prague University Faculty of Journalism, the well-known journalists Karel Kyncl and Jiri Ruml and their son Jan, a workman, the sociologist Jirina Siklova and the Slovak historian Jan Mlynarik. All of the above have made their opinions clear in books and articles, and have been signatories to various declarations bearing their name and address and have always informed the Czechoslovak authorities of any such activities.

Therefore it is quite ridiculous — and cynical — to accuse these people, who have sacrificed both their political and professional careers for their opinions, of subversive activities and of being in the pay of foreign powers

The fact that the two French citizens have been expelled from Czechoslovakia, whereas the Czech citizens have stayed in prison, is proof that this frontier incident was used by the Czech police in order to carry out arrests which had long been planned in order to involve them in a crime bearing the accusation 'with foreign connections'. For all the above reasons, the

**Pelikan**

motion for a resolution asks that the 8 Czech citizens recently arrested be freed, and, should they be sent for trial, asks that this should be a public trial and take place in the presence of international journalists and observers, such as Amnesty International, the Geneva Legal Committee and the League for the Protection of Human Rights.

The motion for a resolution also asks that Mr Rudolf Battek should be freed, who was a member of the Czech national council in 1968 and one of the spokesmen of 'Charter 77', and has now been in prison for precisely one year without trial and without any contact with his family or his own lawyer. In order to have a meeting with his lawyer, Rudolf Battek was forced to carry out a hunger strike, being supported in this by his wife and many friends in Prague. It would seem that Rudolf Battek is accused of subversive activities with foreign connections because of a certain number of letters he sent to the Socialist International and one to me in which he asks that the European Parliament commit itself to ensuring observance of the Helsinki Agreement. His letter came by normal post and its contents are at the disposal of the House. It therefore seems to me to be quite fair to ask that Mr Rudolf Battek be freed immediately all the more so because of his worrying state of health.

Lastly, the resolution appeals to the Czechoslovak government to apply Czechoslovak law to Vaclav Havel, the greatest living Czech and perhaps European dramatist, and to Petr Uhl, Jiri Dienstbier and Vaclav Benda; this would mean that they could be liberated since in any case they have already completed half of the sentences they received. In this particular case, we are not asking for the sentences to be altered in any way, but simply for a humanitarian gesture to be made which would perhaps help towards finding a successful conclusion to the final stages of Madrid Conference.

I hope that all my fellow Members and all the political Groups will vote unanimously in favour of this resolution, given the high moral value which this gesture would assume.

Mr President, we are aware that in various countries violations of civil rights are perpetrated, and that there are far more serious cases of such violation than the one which I am now referring to, in countries such as Chile, Argentina, Uruguay and so on. Nonetheless, if the European Parliament wants to be truly European and not just the representative of a group of European countries, it has the duty to raise its voice when the principles of the Helsinki Agreement and human rights in Europe are trampled underfoot.

The citizens of Czechoslovakia need to hear our voice in order to know that the frontiers of Europe do not end at the border between the two Germanys and that no European people will be sacrificed for a few econo-

mic considerations or in order to keep the diplomatic peace.

It grieves me that a proportion of this House feigns to forget the 'other' Europe, whose peoples watch us with great hope and fellow-feeling. I say this at a time in which another European people — the Polish one — is living one of the most dramatic moments of its thousand-year history as a result of the pressure and open interference in its internal affairs by the Soviet Union, evidenced by the threatening letter sent by the Central Committee of the Soviet Communist Party. I hope that here too I shall be expressing your views, ladies and gentlemen, if I confirm the need for the Polish people itself to solve its own problems freely and without any interference from outside. A democratic Europe cannot exist if Poland is no longer independent!

*(Applause)*

**President.** — I call the Socialist Group.

**Mr Fotilas.** — *(GR)* Mr President, in line with our consistent policy of expressing our immediate and deep concern at infringements of human rights anywhere in the world, this motion for a resolution has been submitted to Parliament by Mr Pelikan and the other co-signatories on behalf of the Socialist Group.

Our generation has seen the appearance of a document which, in my view, may well come to be regarded as one of the great historical documents marking the course of mankind towards a brighter, healthier, more honest and freer future — the so-called 'Charter 77'

In this century, however, people are being persecuted because they are fighting to defend the principles contained in this Charter. This is an unfortunate fact. It is even more unfortunate that this persecution is being carried out in the name of socialism, on the pretext of protecting socialism against people who have nevertheless served its cause faithfully and for many years in their own country.

The Socialist Group is therefore doubly concerned, since we simply cannot allow such infringements to take place in the name of socialism.

One thing is certain, and that is that the way in which the motion for a resolution has been formulated enables it to be supported by any honourable conscience in this House. This is not the slightest attempt to interfere with the political structure of the system under which the infringements of freedom and human rights are taking place. There is not the slightest trace of political, pro-regime or anti-regime propaganda. It is an honourable, brave and honest defence of human

**Fotilas**

rights, and that is what will enable it to gain the unanimous approval of this Parliament, so that it will carry particular moral weight.

Mr President, it so happens that you yourself are a Member of the Socialist Group, and you are well aware that the group's speaking time has been allotted to the two of us. I do not know if other Members of the Socialist Group have put down their names to speak, but I shall in any case be finishing in a few seconds.

I would repeat, therefore, that the formulation of the motion for a resolution enables it to be supported by anyone with a clear conscience.

To be frank, there is only one thing that worries me — and that is that my vote will be in strange company, since I can foresee that our motion will be supported by many who, in the past, have not shown the same concern over similar infringements in other parts of the world, such as Turkey, El Salvador and other places, when their position has been dictated by political considerations and constraints, instead of by the clear conscience of devotion to human rights and human ideals.

I shall therefore be sorry if there are any differences of opinion, but I nevertheless believe that this motion for a resolution can be supported by any genuine democrat and socialist with a clear conscience.

**President.** — I call Mr Kappos.

**Mr Kappos.** — *(GR)* Mr President, for us Greek Communists it is clear that the authors and presenter of this motion for a resolution are not genuinely interested in human rights in Czechoslovakia, which are in any case guaranteed and do not need their pleas.

Your turn will come, your turn will come. Do not interrupt me, Mr President, I want my speaking time.

If they were genuinely interested in human rights, Mr President, they would take a look at their own back yard, and their own back yard is not Czechoslovakia — it is the countries of the EEC, it is Northern Ireland, it is the Federal Republic of Germany, it is Greece. They must realize, Mr President, that their attempts will fail, just as all their repeated attempts have failed up till now, ever since the great October Revolution in 1917. This is essential and ineluctable.

Mr President, a resolution of this kind represents interference in the internal affairs of the Socialist Republic of Czechoslovakia and collusion with the USA. It is unacceptable.

**President.** — I call the Commission.

**Mr Davignon,** *Vice-President of the Commission.*

— *(FR)* Mr President, I would say very briefly that the Commission's commitment to the defence of basic human rights in Europe is well known. It is in that context that the Commission is pleased at the decision which Parliament is about to take.

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

*(Parliament adopted the resolution)*

### 11 *Bombing of the nuclear power station at Tammuz*

**President.** — The next item is the joint debate on: the motion for a resolution by Mr Fanti and others, on behalf of the Communist and Allies Group, on the bombing of the nuclear power station at Tammuz (Doc. 1-289/81) and the motion for a resolution by Mr Glinne, on behalf of the Socialist Group, and Mr Bangemann, on behalf of the Liberal and Democratic Group, on the Israeli raid on Tammuz (Doc. 1-293/81/rev.)

I call Mr Fanti.

**Mr Fanti.** — *(IT)* Mr President, ladies and gentlemen, the bombing of the nuclear power station at Tammuz by the Israeli air force is extremely serious and alarming, and has brought condemnation from all over the world. The Israeli Government's explanation for the attack is at variance with statements made by the French and Italian firms who constructed the power station and by their respective governments, and above all with the declaration of the International Atomic Energy Agency attesting to the peaceful nature of the Iraqi nuclear installations.

This attack has aggravated the situation in the Middle East, which was already explosive during the last few weeks because of the tragic events in the Lebanon.

In proposing an urgent debate, the Communist Group wanted to give Parliament an opportunity to make itself heard, as always when confronted with a serious international situation. But if the voice of this House is to be heard, if its moral and political authority is to have any credibility, it must be consistent and remain faithful to an essential principle which has already been expressed on previous occasions and with reference to other events: outright condemnation, without reserve or ambiguity, of the use of force in relations between States and between peoples. Making our condemnation weak and hesitant, or even unclear and vague — as I think would be the result of the amendments tabled — would weaken our voice and deprive it of its credibility in the eyes of all the parties involved in this vital region of the world, since it would have become opportunist and partisan. Finally, it would be

**Fanti**

rendering a disservice to the cause of peace and to the commitment expressed at the meeting of the European Council in Venice to find a just solution to the Middle East crisis, while recognizing the role of the PLO in representing the Palestinian people.

The solution — we repeat — should be based on the establishment of secure and guaranteed frontiers for all the states of the region — including the State of Israel — and on the right of the Palestinian people to self-determination and to have not only a homeland, as Mr Glinne's amendment states, but an autonomous and independent territory.

In an effort to achieve maximum credibility and unanimity for Parliament's voice, the Communist Group is prepared to withdraw its own resolution and to reject all the amendments, except Amendment No 11 tabled by Mr Glinne and Mr Van den Heuvel: this we are ready to do, although we recognize that Amendment No 8 has some useful aspects. We shall vote in favour of Mr Glinne's amendment because we find it contains the essential points of our proposal, with one exception, to which I have already referred, namely the necessity of recognizing the right of the Palestinian people not only to a homeland but also to an autonomous and independent state. We shall take the final decision on this matter at the end of this debate.

*(Applause).*

## IN THE CHAIR: MR VANDEWIELE

*Vice-President*

**President.** — I call Mr Glinne.

**Mr Glinne.** — *(FR)* Mr President, ladies and gentlemen, the Socialist Group has long been working to bring the political groups closer together, a trend which is witnessed by the initial draft resolution No 1/293/rev. and demonstrated just as clearly by the marked similarity between the Amendments — No 11 tabled by the Socialist Group and No 12 by most of the other groups — in connection with this draft. Lack of time is perhaps partially responsible, at any rate I should like to think so, for the lack of complete agreement i.e. for the existence of two distinct amendments. I shall briefly go over the reasons why we value both the elements common to the two amendments and the additional more precise original features of our text.

First of all, as regards the common features, the climate of profound mistrust which has unfortunately prevailed for more than 30 years among most of the parties to the Middle East conflict has certainly made a significant contribution to the most recent events. It

is not right that there has been a technical state of war between Israel and Iraq for more than 30 years, since it has given all the more reason for recourse to acts of war in a situation which is very far from normality and peace. It is not right that two great Islamic States in the area should be waging full-scale war against one another — months of armed combat for territory, thus casting extreme doubt on their wish for peace with a neighbouring people which is not part of the family of Islam. It is not right that Europe should have provided Israel in the already distant past and Iraq during recent years with the nuclear technology rightly or wrongly suspected of giving rise to unacceptable plans.

But what are we to do now? In our opinion it is relevant that the amendments — and No 11 much more clearly than No 12 — support the idea that Israel — since it has not yet done so and is the only country not to have done so — should sign the nuclear non-proliferation treaty and submit to inspection by the International Atomic Energy Agency the aim being, as the socialist text explicitly mentions, and I will return to this point, to set up a denuclearized zone in the area. It is also the right time to renew the European initiative which began at the Venice European Council in order to obtain a just and balanced solution to the Middle East crisis.

Mr President, our Amendment No 11 — to speak again of its common ground with Amendment No 12 — refuses a general condemnation of the State or country of Israel and to mention any sanctions against Israel. But our text, in contrast to Amendment No 12, condemns explicitly and not by implication Israel's military action against the Tammuz nuclear power station. In our opinion the statements last Tuesday by spokesmen of the French Atomic Energy Commission destroy the argument that Israel's actions was legitimate, preventive, defensive and a matter of urgency. As President Mitterand explained this morning in the 'Washington Post', the Israeli attack on Tammuz should on the contrary be clearly criticized. According to Mr Van der Mei when he spoke yesterday in this House, the Israeli action has just been condemned and we fully approve the terms used by the ten member countries of the European Community speaking through the Dutch President.

In our opinion the Israelis should make reparations to Iraq. As the permanent European members of the UN Security Council claimed, any act infringing international law, particularly the use of force, should be made good by fair compensation for the destruction and damage caused. And our friendship with Israel certainly does not put her above international law.

Mr President, we join President François Mitterand in his condemnation of the raid on the nuclear power station at Tammuz and his severe criticism of the attitude of the Israeli Prime Minister, Mr Menahim Begin. It is not acceptable, he said, for a country, whatever the rights of its case, to settle its disputes by



**Glinne**

armed action in clear contravention of international law. Mr Mitterand continued 'I thus condemn the initiative taken by Mr Begin'. And the French President added that there was no real immediate danger to Israel from possible Iraqi use of nuclear technology for military purposes and that a clear distinction should be made between the leaders in Tel Aviv and the Israeli people. He concluded 'When we ask the Security Council to express condemnation, we are condemning the raid and not Israel. We are criticising the action of her leaders but we are not asking for sanctions against the people.

Mr President, our Paragraph 3, which asks that Israel should sign the nuclear non-proliferation treaty is explicitly intended to set up a denuclearized zone throughout the area which would be binding on all the countries concerned both now and in future.

Finally, and this is the last important difference of meaning in our text: Paragraph 4 of our amendment, in contrast to Amendment No 12 by the other groups, explicitly mentions the rights of the Palestinian people, their right to a homeland and to self-determination which should in our opinion be real and complete. I emphasize the word 'self-determination' for a 'homeland' granted in the South African fashion would not be enough. Our text however does not directly mention the idea of an independent State as did Mr Fanti or as Mrs Macciocchi wishes since today's debate is concerned with an extremely reprehensible Israeli action. Nor is this debate concerned with the precise definition of the future status of the Palestinian people nor the future status of the sovereign state it wishes to form, a status which I think will inevitably be guaranteed by a peace treaty binding on all the parties involved.

*(Applause)*

**President.** — I call the Socialist Group.

**Mr Ripa de Meana.** — *(IT)* Since it appears that our group's time has been used up, I would refer, for the moving of this amendment, to the speech to be made by the co-author, Mrs Macciocchi.

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

**Mr Blumenfeld.** — *(DE)* Mr President, the European Parliament has only a few, but nevertheless vital and basic reasons for wanting to comment on this serious and difficult situation.

It is not our purpose to repeat what has been said by the many governments which have expressed themselves in the last few days, nor are we here merely to

echo the opinions voiced in the United Nations Security Council. We have an independent role to play. Our basic premise is that, during the last few years, the European Community and this Parliament have constantly stressed the crucial need to bring the warring parties in the Middle East together around a table. Since they will not go to each other, we must bring them together. This, if you like, was the view reflected at the Venice Summit Meeting, which is still invoked in many European circles today.

We in the European Parliament are forced to acknowledge that a feeling of profound mistrust — as Mr Glinne just put it — has prevailed in the Middle East for all these years and is on the increase. It is felt by both sides, but particularly by Israel, which is surrounded by enemies, and it has constantly provoked acts of violence. It is therefore up to all of us to try and eliminate the opportunities for the use of force and violence. We have before us two motions for a resolution. One comes from the Group represented by Mr Fanti, and was tabled by him, and if I have understood him correctly, he said that he is supported by Amendment No 11, tabled by Mr Glinne. I presume that what that means from the point of view of procedure, Mr President, is that Mr Fanti has withdrawn his motion for the resolution and is going to give his support to Mr Glinne's, but no doubt this will be clarified later.

Since yesterday evening, we have been trying — and I am speaking on behalf of the Members of other Groups who will speak after me — to achieve general agreement on a resolution. Unfortunately, what with the lack of time and other factors, we have not succeeded. Now we have two other amendments before us: Mr Glinne's (No 11), which he has just formulated, and Amendment No 12, tabled by me and my colleagues.

We believe, Mr President, that our version of a motion for a resolution is much better balanced, that it makes the essential points and that, if at all possible, we ought to be able to join these two motions together for the voting. If such a fusion is not possible, we trust that one of the two motions will at any rate be adopted. I should like to repeat that, in our opinion, it would be much more satisfactory for us to end up with a single, general resolution in this particular case, rather than to sacrifice one of the motions altogether.

But there is one point which I must dispute with the Socialist Group. I do not think that we can make the Israeli Government — which has found itself on a war footing for over 30 years, not through any fault of its own but because of the Iraqis — responsible for the reparation of damages, whether on the grounds of international law or on any other grounds. Given the Middle East situation as a whole, the very desire to do so seems cock-eyed to me, quite apart from it being a very unwise move politically.

**Blumenfeld**

What it all boils down to is that we need to eliminate all nuclear weapons from the entire Middle East area. This is what really needs to be done. There is no point in dragging a single State over the coals particularly a state such as Israel, and telling it that it has got to sign the nuclear non-proliferation treaty. That is not the point at all. What is much more important, is that we should make the Middle East area a zone completely free of nuclear weapons and keep it that way. Since the attack on the reactor at Tammuz, it has become even more vital for the European Community and for all those who wish to achieve peace in this region to bring this about. Accordingly, Mr President, I would ask the House to adopt Amendment No 12, which has been jointly tabled by several Groups. This amendment clearly and unequivocally condemns the use of force. In its treatment of the highly complex nature of the Middle East crisis, it is balanced in the best sense of the word, and it is free of cant, which is more than one can say — unfortunately — for a great many of the pronouncements on, and schemes for the Middle East nowadays. Finally, I should like to add that I am withdrawing my Amendments Nos 9 and 10.

**President.** — I call the European Democratic Group.

**Mr Fergusson.** — Mr President, Members here may be torn between outrage and sympathy in respect of the raid on the Tammuz nuclear reactor, but we are, I believe, at one in our deep fear for peace now in the Middle East and concern at the possible spread of violence much further afield. It may appeal to some to fling condemnation and blame around for this latest escalation of tension and military activity in a region which is the world's main powder-keg. If blame-laying would help to lower the tension again or prevent it rising higher, perhaps we should all join those who believe in such a thing. Both amendments, I am glad to say, make a point of sticking to the major principle, which this Parliament has enunciated before now, that political conflict is not to be solved by acts of war. It is what we said no less clearly when war broke out between Iraq and Iran. So, if we regard the attack on Tammuz as a symptom of the antagonism in the Middle East, one of several deadly rivalries in the region and a symptom of the awful draining distrust in which the nations there hold one another, we can perhaps take the better course of using this unfortunate affair as a reason for attending with greater urgency than ever to the fundamental problems that cause such repeated outbreaks of danger. It is in this direction that both resolutions — No 11 and No 12, they are not so far apart — attempt to point the governments of all States who are concerned with peace in this part of the world.

So let others argue over the questions and accusations that still fill the air. There may be some here who are 100% certain that the Osirag reactor could not, and was not intended to, produce military material, or are

100% certain that it could and was. There may be those here who are sure that the attack was before all else the electioneering stunt of the year or that the judgment of the IAEA is wrong. We in this group are much surer of other things, that only enduring peace beginning from now is what is most needed by every Israeli, Palestinian and Arab of good faith in that part of the world. We are no less sure that until the nuclear technology-exporting powers get their game together, starting with ourselves here in the Community, until, Venice and all, we can coordinate our policies on this as on so many other things, we shall not ourselves be free from blame when next the Middle East blows up in our faces. I therefore ask the Parliament to support the amendment that stands in the name of four groups and many of our friends in other parts of the House.

**President.** — I call the Communist and Allies Group.

**Mrs Le Roux.** — (*FR*) Mr President, the Israeli Government has perpetrated an unjustifiable act of aggression against the Tammuz nuclear complex in Iraq, which led to the death of a French technician. Regardless of one's views about the régime in Baghdad, one cannot but condemn this act.

To justify its actions, the Israeli Government put forward a spurious argument based on the possibility of Iraq's building a nuclear bomb. The French Atomic Energy Authority has categorically denied this, stating that an agreement links Iraq and France for the operation of the Tammuz nuclear power station and that this agreement rules out any chance of the complex being misused for military purposes.

This power station was also subject to inspection by the International Atomic Energy Agency and, in the words of its Vice-President, 'the specifications of the equipment delivered by France made it impossible for Baghdad to use it for military purposes'. Israel is, through its actions, jeopardizing the whole system of guarantees furnished by the IAEA within the framework of the nuclear non-proliferation treaty, even though, unlike Iraq, it has not signed this agreement.

This act of aggression has been met with worldwide reprobation. The United States, however, is now trying to justify what is unjustifiable. It is impossible to forget that the weapons used were American. And, by the same token, it is impossible to forget Mr Habib's tour of the Middle East just before the raid. We wonder, therefore, if an attack of this sort could have been carried out without the United States agreeing to or rubber-stamping the operation. A further point is that not everybody in Israel is unanimously behind Mr Begin's initiative.

The Israeli Communist Party particularly has condemned this act. It has made constructive proposals for setting up a de-nuclearized zone in this area

**Le Roux**

and for agreement to be reached between the Arab States and Israel on international inspection of their nuclear plants.

Once more, therefore, the problem of the Mid-East crisis is before us today. Israel is heightening tension to a dangerous degree and has shown through this act that Camp David was a failure.

The motion for a resolution tabled by my group refers to a number of principles on which a general political solution ought to be based.

Let me briefly mention them. Firstly, all the national rights of the Palestinian people should be recognized, particularly their right to an independent state. The PLO should be recognized as the only legitimate representative of the Palestinians and as an equal partner in the negotiations aimed at finding an overall solution which must put an end to their being a nation without a country. There should be secure, recognized and guaranteed frontiers for all the states in the area, including Israel, which also means that Israel must withdraw from the occupied territories and cease all Jewish settlement of them. Lastly, the Lebanon should be kept intact as a nation, since this is the only way to ensure its unity and independence.

Lastly, we feel that the Israeli Government must make reparations for the destruction and damage it has caused.

In this respect, if the proposed initiative by the Community Council of Ministers were to result in some progress being made towards such a solution, with the above principles being observed, we would be only too pleased.

For our part, we shall endeavour to see to it that France plays a constructive and effective rôle in arriving at an overall solution to the Middle East problem. This region has been torn for years by successive conflicts and unceasing tension. Every effort must be made to keep alive any possible chance of seeing peace restored to this part of the world.

We shall, therefore, vote in favour of the amendment tabled by the Socialist Group, even though this text is not explicit enough, particularly as regards the need for the Palestinian people to have their own independent state.

**President.** — I call the Liberal and Democratic Group.

**Mr Haagerup.** — (DA) Mr President, I think we should be honest with ourselves in this matter and acknowledge the fact that many of us have very mixed feelings following the attack on the Iraqi nuclear power station, not only because of the attack in itself

but also, and in particular, because of the background to it.

It is impossible to condone this act of war, but at the same time, one can to a certain extent understand how the Israeli people and their leaders must have felt if they acted on the conviction that Iraq was working on an atom bomb. As we know, there are any number of opposing arguments and explanations, but even if many people can understand Israel's situation, the timing of this act nevertheless remains an extremely dubious aspect and, for many people, very deserving of criticism.

My group regards it as completely natural, indeed inevitable that it should dissociate itself unambiguously from the use of force, and this act on the part of Israel can be no exception, regardless of the sympathy one might feel for that country. At the same time, it is realistic to consider the Israeli attack within the context of the overall situation in the Middle East and this is also what is behind the crucial paragraph 4 in Amendments Nos 11 and 12, which is virtually identical in both cases and is what the choice we have to make here is really all about.

My group is in favour of amendment No 12, which is a joint motion for a resolution, which I signed on behalf of the Liberal and Democratic Group, in spite of the fact that it is not directly apparent from the amendment distributed that this was on behalf of the Group

The reasons for this are somewhat complicated. In an early phase of the inter-group discussions, the chairman stated on behalf of the Liberal Group that he and his group were in favour of drawing up a joint and very widely supported motion for a resolution. However, it transpired in the course of yesterday and today that other group chairmen did not feel they could continue to support the original proposal. This was also the case with the originator of the proposal himself who tabled an amendment on behalf of his group to his own report in which, among other things, Israel was called upon to pay compensation for the damage caused.

My group had then to consider how, whilst fully maintaining its basic stance both as regards the Israeli action and the Middle East, it could best help give as much weight as possible to a joint statement. We therefore associated ourselves with Amendment No 12 which we also signed. In recommending this amendment to you, I would join Mr Fergusson, among others, in urging you all to consider the similarities in the two amendments and not only the few differences, which apparently are sufficiently great to have prevented a joint statement being made by five of the six groups in this Parliament, even if, as will be apparent from what I have said, it is at any rate perfectly clear where the Liberal Group stood in the attempts to arrive at a common motion. We regret the fact that

### Haagerup

this has not so far proved possible, but we would nevertheless urge you to support the motion currently before you which was tabled by four of the groups.

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

**Mr Israel.** — (*FR*) Mr President, ladies and gentlemen, up to now this debate has been very dignified. Of course, some speakers let their rhetoric get the better of them when condemning Israel. But I for my part shall try to keep strictly to the subject before us.

The first question we must ask ourselves is whether the State of Israel really had a specific danger to face. Was it within Iraq's power to build an atomic bomb or not? This is the only real question we need to ask. And my sub-question would be, what does an oil-producing country have to gain from operating a nuclear complex on its territory. Are they now trying to find an energy producing oil-substitute by installing atomic plants in the desert? This is my first query.

My second query is, during the first battles between Iran and Iraq, you may perhaps remember that some mysterious planes bombed the Tammuz nuclear reactor. What was the Iraqi Government's reaction? It was a very simple one, they said 'There is no way in which it can be the Iranians who have bombed our nuclear plant, it can only be the Israelis, because the Iranians are well aware that we are building a bomb there to destroy Israel'.

The legal battle which the French Government has just embarked upon, and which Mr Glinne, who is unfortunately not a fellow countryman of mine, seems very taken by, is the logical outcome of the fact that the French had signed an agreement with Iraq. But, Mr Glinne, you who are President of the Socialist Group, this agreement has remained secret up to now! Why is this? It took Mr Mitterrand to publish details of it. I thank Mr Mitterrand for having done this. But why was this agreement kept secret? For the simple reason that the French technicians were committed to staying in Tammuz until 1989. But, Mr Glinne, what would have happened afterwards? And there is another problem, there have been many instances in the Middle East of foreign advisers being hounded out of a region . . . and what would we have done if, in 6 months time, the French experts had been sent home? Do you think that France would have declared war on Iraq in order to keep its experts in that country? Come off it! When the State of Israel has to choose a solution, it cannot afford the risk of accepting the guarantees offered by a few very distinguished French Foreign Office officials. . .

Another and final argument is why does the Iraqi Government refuse to be supplied with 'caramel' fuel, which cannot be used for military purposes?

Mr President, ladies and gentlemen, as you can see, there is a great deal of danger here. The Israelis are faced with a danger which they consider to be a very real one. But there is not just the problem of the nuclear bomb. There is much, much more. There are also words which have been constantly uttered by the Arabs over the past 30 years. And unfortunately these are not words of peace but words of destruction, with the sole exception of President Sadat of Egypt, whose courage should be appreciated and praised at every possible opportunity. But apart from President Sadat, what do we see in the Middle East? Nothing but words of destruction, hatred and death! So if these words are taken in context with the real threat that a nuclear plant in the middle of the desert represents, then you will understand why the Israelis act the way they do. . . But of course, Mr President, ladies and gentlemen, I cannot approve this action. I cannot approve this raid. But believe me, at the bottom of my heart, in my innermost self, I can find reasons for thinking that they did not perhaps have any other option. . .

I should now like to say to Mr Glinne that the European Community looks somewhat foolish when it requests that all countries ratify the nuclear non-proliferation treaty. Has France signed this treaty? Has Britain? The crux of the matter is whether we ought to be applying the old adage 'Do as I say, not as I do'.

(*Applause*)

In conclusion, Mr President, I should like to draw your attention to a very crucial point of diplomacy. In all the ritual statements made by our colleagues in the Communist Party — and in a somewhat more presentable manner in the statements made by our colleagues in the Socialist Party — we hear about 'recognizing Israel's borders'. There is talk of secure, recognized and guaranteed borders. This is repeated ad infinitum. But allow me to say that recognizing Israel's borders is of no interest at all. In fact, some Arab diplomats, enemies of Israel, are trying to get you to ask them to recognize only borders and not the state that exists behind those borders. When we are brave enough in this House to state that the absolute prerequisite for peace in the Middle East is that the State of Israel should be recognized by all the Arab parties concerned, including the Palestinians and the PLO, I am not saying that I will become a card-carrying member of the Socialist Party, but nonetheless I state emphatically and sincerely that if this were to happen, criticism of Israel would become acceptable, and there would no longer be what I have already referred to as a tendency to rhetoric whenever Israel is being condemned.

In conclusion, Mr President, I appeal to this House to exercise sound judgment and to vote — as my group will do — in favour of Amendment No 12, which shows the generous and painstaking nature of those

**Israel**

who tabled it and whose friend I have the pleasure to be.

*(Applause)*

**President.** — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

**Mrs Macciocchi.** — *(IT)* Mr President, in reply to Mr Fanti, I should like to say that Amendment No 8 was tabled by Mr Ripa di Meana and myself.

We believe that Amendment No 11, tabled by Mr Glinne, reinforces the text of the resolution which, as it stands, does not go beyond routine condemnation and is rather platonic in character.

In Mr Glinne's amendment are to be found some of the elements included in Amendment No 8, for which reason — particularly in the light of President Mitterrand's statements to the *Washington Post*, the firmness of the condemnation and also the problems which have occurred once again during the debate on this serious and delicate question — I and my colleague believe that our amendment can be withdrawn in favour of Amendment No 11.

We enjoy friendly relations with Israel, but in such serious and complex circumstances, we cannot exclude that, if such a situation were to recur, we should have to consider the adoption of economic sanctions against those who so openly violate international agreements which are there to be respected, as Mr Glinne has stated in his amendment.

**President.** — I call Mr Psmazoglou.

**Mr Psmazoglou.** — *(FR)* Mr President, it is my wish to lend my vigorous support to the resolution submitted by the Socialist Group, and I take this occasion to say that the views which have been expressed up to now are in actual fact very similar. I feel that the European Community, the European Parliament must give its opinion on a subject which is of vital importance for the entire world and particularly for the Middle East region.

We Greeks are particularly attuned to problems of this nature as a result of the abnormal and dangerous situation which has existed in Cyprus since 1974. Given the views which have been expressed by some speakers, in particular by Mr Blumenfeld and Mr Israel, I think that all the speeches so far have tended towards one view, that is a condemnation of all acts of violence and of the use of force.

I should like to see the motion tabled by the Socialist Group and the proposal contained in amendment No

12, tabled by Mr Blumenfeld and others, merged into one text. Having said this, the European Parliament ought to make clear that it is in favour of a lasting and fair solution to the Mid-East problem, a solution which would take account of the need for the active and direct participation of the Palestinians, and in particular of the Palestinian Liberation Organization, in the reaching of a solution, and one which would express the need for a final and lasting declaration recognizing the State of Israel's right to exist within secure boundaries.

I should like to end my speech by highlighting the need to ensure that peace is kept in this region, because acts of violence of whatever sort, and for whatever reasons, present a great danger to the Middle East and consequently to Europe and the world at large.

**President.** — I call Mr Marshall.

**Mr Marshall.** — Mr President, one smells the stench of hypocrisy in many of the one-sided criticisms of Israel's action. I do not believe that any of our ten member governments would have acted differently if faced by the same problem as Israel. Let us remember that in the last 33 years, when Europe has been at peace, the people of Israel have four times had to fight for their right to existence. And let us remember that Iraq never signed a peace treaty with Israel in 1948. The real condemnation, Mr President, should be of those countries who supplied Iraq with the means of developing an atomic bomb. It was they who threatened peace in the Middle East and it was they who put at risk the future of the people of Israel. Israel by her action has prevented a second holocaust and has, I believe, in the short term strengthened rather than weakened the cause of peace in the Middle East.

**President.** — I call Mr Kappos.

**Mr Kappos.** — *(GR)* Mr President, the Israeli attack on the nuclear reactor in Iraq is a brutal act of terrorism and a gross violation of international law. It is reminiscent of the similar action of the United States in Iran. Apart from the responsibility borne by Israel, Mr President, the United States also bears direct responsibility, since it is busy arming Israel. The attack was carried out with American planes, American bombs and with American-trained pilots. It is also certain that the American knew of the attack, since the planes which fly over Saudi Arabia and the bases situated there have instruments for monitoring all aircraft movements in the region. Thus the statement by the United States that it did not know of the attack is completely false and hypocritical. Consequently, Mr President, the United States bears direct responsibility for this criminal attack, and it is for this very reason that we are asking for condemnation not only of Israel

**Kappos**

but also of the United States, as well as for sanctions to be imposed on Israel because of this act of banditry.

**President.** — I call the Commission.

**Mr Davignon, Vice-President of the Commission.**

— (FR) Mr President, the Commission would like to make two points during this debate. First of all it would like to express a certain amount of disappointment. Throughout this debate, it has appeared to me that the fact that the Euratom Treaty exists has been forgotten, even though this Treaty, under Article 59, provides that the European Community and the Commission must take a decision on exports of fissile materials. When dealing with such a sensitive problem as that of non-proliferation, we feel that some thought should be paid to the contents of Chapter 6 of the Euratom Treaty, in order that we may ascertain how, using that strength which critical analysis brings and the technical and political criteria which we would arrive at, the Member States might collectively, via the Community, bring themselves totally into line with their political declarations.

In accordance with Article 59 of the Treaty, the Commission was informed of the agreement signed between France and Iraq, and decided that the various guarantees it was planned to provide were, from the non-proliferation standpoint, strictly in accordance with the commitments which the Commission requires the Member States to make within the Community pursuant to the Euratom Treaty. I feel that we must look at this problem against the backdrop of the way in which European political thought in this extremely sensitive area has developed.

I would have liked, Mr President, to make several other points on a number of technical arguments which have been raised here. I shall simply say that on the whole, the Commission Safeguards Department which deals with the peaceful use of nuclear power stations in Europe, is of the overall opinion that the arguments put forward by the International Atomic Energy Agency in Vienna tally with the views it would itself have been required to express had a comparable situation arisen in the Community.

My second point, Mr President, will be a short, political one. The Commission stance vis-à-vis the ongoing peace moves in the Middle East is based on support for the declarations made at the Venice Summit and the Luxembourg Summit and it hopes that a situation favourable to peace initiatives will quickly be restored so that the Community may, on the economic plane, aid in the development of the countries of that area and in ensuring peace for their inhabitants.

(Applause)

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

We now move on to the vote on these motions for resolutions.

A compromise amendment, No 12, to both motions has been tabled.

In accordance with Article 74 of our new Rules of Procedure I must ask for Parliament's agreement to putting the amendment to the vote.

Are there any objections?

I call Mr Glinne.

**Mr Glinne.** — (FR) Mr President, first of all there is a motion for a resolution tabled by Mr Fanti. Secondly, it is normal arithmetical practice for Amendment No 11 to come before Amendment 12. It was tabled earlier. We now need to know therefore, exactly in what order we shall vote. If it is a question of the amendment that departs furthest from the text, the Socialist one is more radical.

**President.** — Mr Glinne, under Rule 74 the amendment that departs furthest from the original text must be put to the vote first.

I call Mr Bangemann.

**Mr Bangemann.** — (DE) Mr President, first of all we are dealing here with two motions for a resolution which were originally tabled, one by Mr Fanti on behalf of the Communist and Allies Group, and a joint motion by Mr Glinne on behalf of the Socialist Group and myself on behalf of the Liberal and Democratic Group.

The amendments tabled do not relate to Mr Fanti's motion, but in all cases to the original Glinne-Bangemann motion. I think it is quite clear that we have two different motions before us. The one which was tabled earlier should be voted on first, namely the motion by Mr Fanti.

In addition, we must vote on the amendments to the original Glinne-Bangemann motion before we vote on the motion itself. That cannot be done in any other way. The amendments must be voted on first, and in addition the amendment which departs furthest from the text must be dealt with first, and when one looks at the original motion for a resolution the amendments which departs furthest is without doubt No 12. Only after that can we vote on amendment No 11. If the original Glinne-Bangemann motion survives that vote, we shall then have to vote on it. This is in my view the only possible interpretation.

**President.** — I call Mr Fanti.

**Mr Fanti.** — *(IT)* Mr President, first and foremost I must say — as I anticipated in my earlier speech — that at the end of this debate the Communist and Allies Group confirms its decision to withdraw its own motion for a resolution and to vote for Amendment No 11 tabled by Mr Glinne and Mrs Van den Heuvel. I am pleased that the same approach has been adopted also by the ‘parents’ of Amendment No 8, Mrs Macciocchi and Mr Ripa di Meana.

I take this opportunity to say that Amendment No 11 must be put to the vote first, because I think it is the one which departs further from the text, and indeed for this I request a roll-call vote.

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

**Mr Blumenfeld.** — *(DE)* Mr President, after the withdrawal of the Fanti motion, as I have already pointed out in my speech — and this was confirmed just now — the situation which Mr Bangemann correctly set out, corresponds to that envisaged by Rule 74. Amendment No 12 relating to the original Glinne-Bangemann motion undoubtedly departs further from the original text than Amendment No 11. Amendment No 12 must therefore be put to the vote first, and I ask Parliament and the President to do so.

**President.** — I call Mr Glinne.

**Mr Glinne.** — *(FR)* We have here a controversy on whether Amendment No 12 or Amendment No 11 should be put to the vote first. I do not wish to indulge in misplaced pride, but it was in fact I who drew up the text which is common to both amendments, and if you compare the two texts you will see that Amendment No 11 is virtually the same as No 12 with some additions.

I would like to point out, Mr President, that in paragraph 1 there is an additional concept — that of compensation and reparation for damage and destruction caused. In paragraph 3 there is the concept of a denuclearized zone which does not appear in the text of Amendment No 12. In paragraph 4 the concept of self-determination is included, whereas it is totally ignored in the corresponding paragraph of the amendment tabled by our colleagues. So, while we stick virtuously to the correct interpretation of the Rules of Procedure, it is a question of knowing which text goes further. Obviously it is Amendment No 11 because it says more in a more radical form. This seems completely clear to me, and I appeal to your good sense, Mr President.

**President.** — I call Mr Fergusson.

**Mr Fergusson.** — Mr President, I am very keen to enter this most fascinating argument, but I must make two points. Whereas the author of Amendment No 11 is the same as the author of the original motion, nobody who set about composing Amendment No 12 had anything to do with the original motion at all. It must therefore be further away.

My second point is that the difference between these two amendments is the suggestion that the Israeli government pay reparations to Iraq. That is miles away from the original resolution and a very long way from Amendment No 12. So naturally Amendment No 12 must come first.

**President.** — I call Mr D'Angelosante.

**Mr D'Angelosante.** — *(IT)* Mr President, I do not think that you have any right to leave it to Parliament, but that you have a personal duty as President to solve the problem, because you are the arbiter of the acceptability and the order of votes and must therefore take responsibility for them without believing the stories which have been told to you here about the text which departs further from the original.

Rule 74 relates to an objective decision from the text. The same author can table texts which depart increasingly from the original, but this does not mean that his amendments must be put to the vote first. I invite Mr Bangemann to listen to what I am now saying, since it may help him to understand.

Mr President, I therefore ask you to have the courage, which perhaps hitherto you have not completely possessed, to proceed to the vote on the basis of the arguments adduced by Mr Glinne which are unacceptable — so much so that none of those who have opposed them have succeeded in making any effective point against them. In this way, Mr President, you will be complying with the Rules of procedure.

**President.** — In accordance with Rule 74 I must ask for the agreement of Parliament to putting Amendment No 12 to the vote. I can thus simply allow the vote to be taken, but the Rules of Procedure go further, since they state that ‘in case of doubt as to priority, the President shall decide’!

I call Mr Glinne.

**Mr Glinne.** — *(FR)* Mr President, I would like to point out to you that in principle, we are not governed by partisan rules in this Parliament. I shall therefore express myself very clearly. The three sections of the preamble are the same for amendment No 12 as Amendment No 11. Moving on to paragraph 1, on what grounds can you say that Amendment No 12 is more radical than Amendment No 11? Amendment

**Glinne**

No 12 talks of condemnation and of the use of force in a general way with no precise reference to the raid on the Tammuz nuclear power station which took place on 7 June. Paragraph 1 is precise and adds, to the completely precise wording of the text, the demand for compensation for the damage and destruction caused.

How can you therefore say that the text of Amendment No 12 is more radical than that of Amendment No 11, and it should be put to the vote first? That is entirely subjective, and if you disagree your view is not based on any serious criterion.

**President.** — Mr Glinne, I did not say that your text was not the more radical one! At all events, under Rule 74 it is the President who decides in case of doubt. I therefore propose to put it to the vote . . .

**Mr Glinne.** — *(FR)* I demand a roll-call vote on each paragraph!

**President.** — I call Mr Fanti.

**Mr Fanti.** — *(IT)* Mr President, I am speaking on a procedural motion, since the request for a roll-call vote had already been put forward by me. It is now a question of ascertaining whether a quorum is present.

I ask the President for what objective reasons he intends to give priority on the vote to an amendment which I think is, on the contrary, closer to the text. The comparison must be carried out on the basis of the letter of the texts and does not depend on the subjective view of the President or anyone else.

Mr Bangemann, the distance depends on the ideas expressed and not on the signatories, for if Mr Glinne had failed to sign the amendments and it had borne only the signature of Mrs van den Heuvel you would not have raised the problem! Such a formalistic attitude is absurd. The distance depends on the substance of the amendments, i.e. on their content. I defy anyone in this Chamber to show objectively on the basis of a comparison of the texts that Amendment No 11 is closer to the original text by Mr Glinne and Mr Bangemann. Indeed, it represents a substantial change in the text, whereas Amendment No 12 contains the same concept and is closer to the text. That is why I insist that this assessment be made objectively. I therefore ask that a roll-call vote be held to ascertain whether a quorum is present.

**President.** — I call Mr Bangemann.

**Mr Bangemann.** — *(DE)* Mr President, firstly, I share your view that we shall certainly not go on talk-

ing any longer about the decision which you have reached. But since my colleagues could not refrain from further discussion on it, allow me to tell Mr Fanti and Mr Glinne the reason why I think that your decision was not partisan but thoroughly in keeping with our Rules of Procedure.

Mr Glinne will remember that we both signed the original motion for a resolution. What is the present argument really about? It is not about whether to add something new but much more about condemning the Israeli attack in clear and, as Mr Glinne himself said, unambiguous terms in paragraph 1 and thus not about a reference to any general observation in the preamble. I would remind Mr Glinne that his proposal — as he said himself — differs from our Amendment No 12 in that it reaffirms this clear position which was contained in the original motion.

This is the only question at issue here, Mr President. Mr Glinne is therefore incorrect in suggesting that his Amendment is more radical and therefore departs further from the original. If the original motion for a resolution is more radical than amendment No 12, then his amendment also, precisely because it is more radical, does not go further than the original motion, but it is closer to it than Amendment No 12. This is not pettifogging; it is logic! And even if you do not wish to go along with this logic, then at least heed the President's call and allow us to vote now.

**President.** — I call Mr Israel.

**Mr Israel.** — *(FR)* Mr President, I thank you for calling me at last. Since I am acting as the chairman of a group, I would ask you to treat me exactly like the others, and not to give way constantly to Mr Glinne's attempts at intimidation.

What I want to tell you is that I do not wish to make a speech, provided that I am the last to speak and that immediately afterwards you take your decision.

**President.** — Mr Fanti and Mr Glinne requested a roll-call vote just now. They wish to establish that there is a quorum. We shall now take the vote.

*(The vote showed that there was no quorum)*

In accordance with Rule 71 the vote is postponed until tomorrow's sitting.

I call Mr Bangemann.

**Mr Bangemann.** — *(FR)* Mr President, the Rules of Procedure lay down a precise time limit for urgent debates — in this case midnight tonight. In the five minutes remaining you could therefore ask the



**Bangemann**

Members not to have a debate and to put Mr Helms' motion for a resolution to the vote immediately.

**Mr President.** — Agreed, Mr Bangemann. In the five minutes left to us we shall examine Mr Helms' motion for a resolution.

12. *Floods in Lower Saxony*

**President.** — The next item on the agenda is the motion for a resolution (Doc. 1-291/81), tabled by Mr Helms and others on behalf of the Group of the European People's Party (CD Group), on the floods in Lower Saxony.

I call Mr Helms.

**Mr Helms.** — (*DE*) Mr President, ladies and gentlemen. This interesting argument has cost us a great deal of time, and I think you will agree with me that we should now shorten the procedure — I think that this would also have been possible this afternoon — for otherwise we would have too many agenda items to deal with tomorrow morning, and perhaps would not be able to leave until late at night.

I refer to the text of the motion for a resolution which I have tabled on behalf of my group. It is formulated in a clear and unambiguous way. The Group of the European People's Party approved it unanimously. You know that the European Parliament has always committed itself to aid and other measures in cases of natural disasters. I therefore ask you to approve this motion for a resolution also.

I would like only to point out briefly that we are concerned here with emergency aid amounting to 6 million EUA from the disaster fund and with the speedy implementation of aid from the Social Fund and Regional Fund to make good the damage to houses, other buildings and crops, and we propose an interest rebate measure to ensure the survival of badly hit agricultural holdings.

I urge you very strongly to vote for the motion. We should not ignore the plight of those affected in Lower Saxony and Hessen, just as we provided aid in other cases, such as Italy or Martinique — you will no doubt remember the recent resolutions.

**President.** — I call the Socialist Group.

**Mr Wettig.** — (*DE*) Mr President, ladies and gentlemen, bearing in mind the time that has already elapsed, I will speak very briefly. I explicitly support Mr Helms' statement on behalf of my political friends

and hope that the Community will contribute through its emergency aid to providing effective help for those concerned.

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

(*Parliament adopted the resolution*)

I call Sir James Scott-Hopkins.

**Sir James Scott-Hopkins.** — May I ask you now to put to the vote the motion for a resolution by Mr Welsh, with debate?

**President.** — I call Mr Geurtsen.

**Mr Geurtsen.** — (*NL*) Mr President, I object to Sir James Scott-Hopkins' proposal, since I intended to speak on Mr Welsh's motion for a resolution. I wished to speak against it and I therefore object to this motion being put to the vote without debate.

**President.** — I call Lady Elles.

**Lady Elles.** — Mr President, would you kindly note that these topical debates only last from nine until midnight and we do not have the possibility of carrying them over until tomorrow morning. I would therefore request that we should have perhaps ten minutes maximum to finish Mr Welsh's and Mr Habsburg's motions for resolutions. Since we cannot deal with these items tomorrow perhaps, with the consent of the interpreters and other staff, we could continue the sitting until 12.10 a.m.

**President.** — I call Mr Welsh.

**Mr Welsh.** — Mr President, if you are prepared to accept Lady Elles' motion to continue the debate for ten minutes, that is perfectly all right with me. Otherwise, if you are not, I want to know what the fate of this particular motion is, because it seems to me that urgency loses all its purpose if it can just be talked away by the sort of ridiculous egoism we have seen from Mr Glinne tonight.

**President.** — I call Mr D'Angelosante.

**Mr D'Angelosante.** — (*IT*) Mr President, I wanted simply to point out that this evening the debates cannot continue even for a minute more, for the simple reason that you have established that there is no quorum; nor can it be postponed until tomorrow

**D'Angelosante**

because, under Rule 48, urgent debates may take place for a maximum of three hours per part-session. In this part-session they were to take place from 9 p.m. to 12 midnight today. Therefore you cannot continue the debate tonight — I repeat — because you have established that there is no quorum in accordance with Rule 71, and you cannot postpone it until tomorrow but only to the next part-session.

**President.** — Because of the late hour, I propose to close the sitting.<sup>1</sup>

*(The sitting was closed at 12.10 a.m.)*

---

<sup>1</sup> *Agenda for next sitting: see minutes.*

## SITTING OF FRIDAY, 19 JUNE 1981

## Contents

1. Approval of the minutes: <i>Mr Welsh; Mr Patterson; Mr Albers; Mr Irmer; Mr Schinzel; Mr Maher; Mr von der Vring; Mrs Kellett-Bowman; Mr Kühn; Mr Coutsocheras; Mr Fantì; Mrs Kellett-Bowman; Mr Glinne</i> . . . . .	262	<i>Explanations of vote; Mr Kirk; Mr Battersby; Mr Blaney</i> <i>Adoption of the resolution</i> . . . . .	274
2. Procedure without debate . . . . .	266	6. Harmonization of social provisions in the transport sector — Second report by Mr Key (Committee on Transport) (Doc. 1-89/81): <i>Mr Key, rapporteur</i> . . . . .	274
• <i>Deschamps report (Doc. 1-233/81): EEC-Cyprus Association Agreement:</i> <i>Written explanation of vote: Mr J. D. Taylor</i> . . . . .	266	<i>Mr Albers (S); Mr Hoffmann (EPP); Mr Hutton (ED); Mrs von Alemann (L); Mrs Ewing (EPD); Mr Markozanis; Mr Narjes (Commission)</i> . . . . .	275
<i>Adoption of the resolution</i> . . . . .	266	<i>Written explanation of vote: Mr Purvis</i> . . . . .	279
• <i>Beumer report (Doc. 1-281/81): Taxes on manufactured tobacco:</i> <i>Written explanation of vote: Mr Skovmand</i> . . . . .	266	<i>Adoption of the resolution</i> . . . . .	279
<i>Adoption of the resolution</i> . . . . .	266	7. Markets for the carriage of goods — Report by Mr Janssen van Raay (Committee on Transport) (Doc. 1-187/81): <i>Mr Janssen van Raay, rapporteur</i> . . . . .	279
3. Votes . . . . .	266	<i>Mr Moreland (ED); Mr Narjes (Commission); Mr Janssen van Raay</i> . . . . .	280
• <i>Martin report (Doc. 1-181/81): Fifth Annual Report on the ERDF:</i> <i>Mrs Martin, rapporteur</i> . . . . .	266	<i>Adoption of the resolution</i> . . . . .	281
<i>Explanation of vote: Mr Forth</i> . . . . .	267	8. Relations and agreements with third countries in the field of transport — Report by Mr Travaglini (Committee on Transport) (Doc. 1-183/81): <i>Mr Travaglini, rapporteur</i> . . . . .	281
<i>Written explanation of vote: Mr Skovmand</i> . . . . .	267	<i>Mr Cottrell (ED); Mrs von Alemann (L); Mr Markozanis; Mr Narjes (Commission)</i> . . . . .	282
<i>Adoption of the resolution</i> . . . . .	267	<i>Adoption of the resolution</i> . . . . .	283
<i>Glinne and Bangemann motion for a resolution (Doc. 1-293/81/rev.): Bombing of the nuclear power-station at Tammuz:</i> <i>Adoption of Amendment No 12</i> . . . . .	267	9. Relations with Austria in the transport sector — Report by Mr Helms (Committee on Transport) (Doc. 1-186/81): <i>Mr Helms, rapporteur</i> . . . . .	283
4. Community regional policy and Northern Ireland — Report by Mrs Martin (Doc. 1-177/81) (contd) . . . . .	267	<i>Mr Gabert (S); Mr Fuchs (EPP); Mr Moreland (ED); Mr Cecovini (L); Mr Markozanis; Mr Nicolaou; Mr Habsburg; Mr Ripa di Meana; Mr Seefeld (Committee on Transport); Mr Narjes (Commission); Mr Helms</i> . . . . .	284
<i>Mr J. D. Taylor; Miss De Valera; Mr Narjes (Commission); Mrs Martin, rapporteur</i> . . . . .	267	<i>Explanations of vote: Mr Tyrrell; Mr Moreland</i> . . . . .	290
<i>Adoption of the resolution</i> . . . . .	270	<i>Adoption of the resolution</i> . . . . .	290
5. Coastal erosion — Report by Mr Hume (Committee on Regional Policy and Regional Planning) (Doc. 1-830/80): <i>Mr Hume, rapporteur</i> . . . . .	270	10. Protection against microwave radiation — Report by Mr Ghergo (Committee on the Environment, Public Health and Consumer	
<i>Miss Hooper, draftsman of an opinion</i> . . . . .	271		
<i>Mr Turner (ED); Miss De Valera (EPD); Mr Paisley; Mr Purvis; Mr Nyborg; Mr Narjes (Commission)</i> . . . . .	271		

<i>Protection</i> (Doc. 1-838/80):		<i>Mr Markozanis; Mr Peponis; Mr Narjes</i>	
<i>Mr Ghergo, rapporteur</i> . . . . .	291	(Commission) . . . . .	294
<i>Mr Coutsocheras (S); Mrs Hammerich; Mr Narjes (Commission); Mr Ghergo</i> . . . . .	292	<i>Rejection of the Commission's proposal for a decision</i> . . . . .	298
<i>Adoption of the resolution</i> . . . . .	294	<i>Mrs Seibel-Emmerling; Mr Narjes; Mr Sherlock; Mrs Seibel-Emmerling; Mr Arndt; Mr Turner; Mr Rogers; Mrs Seibel-Emmerling</i> . . . . .	298
<i>Point of order: Mr Adam</i> . . . . .	294		
11. <i>Dangers arising from the use of consumer products — Report by Mrs Seibel-Emmerling (Committee on the Environment, Public Health and Consumer Protection) (Doc. 1-70/81):</i>		12. <i>VAT system for ships intended for scrap — Report by Mr Nyborg (Committee on Economic and Monetary Affairs) (Doc. 1-151/81):</i>	
<i>Mrs Seibel-Emmerling, rapporteur</i> . . . . .	294	<i>Mr Nyborg, rapporteur</i> . . . . .	299
<i>Mrs Weber (S); Mrs Lenz-Cornette (EPP); Mr Sherlock (ED); Mrs von Alemann (L);</i>		<i>Mr Narjes (Commission); Mr Nyborg</i> . . . . .	299
		13. <i>Adjournment of the session</i> . . . . .	300

IN THE CHAIR: MRS VEIL

*President*

(The sitting opened at 9 a.m.)

1. *Approval of the minutes*

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

Are there any comments?

I call Mr Welsh.

**Mr Welsh.** — Madam President, may I ask for some guidance in respect of the urgent-procedure motions that were not, unfortunately, debated last night? There is one such motion which was accepted by you as being urgent and was not questioned by anyone as not being urgent, but which unfortunately could not be debated. Although Parliament could not debate it, the facts behind this resolution are no less urgent today than they were yesterday. So could I ask you what we do now? Is it possible, for instance, to be sure that this motion will be taken at the next part-session during the time set aside for this purpose? Do we have to retable it, or what do we do, because obviously the people on whose behalf it was put are not going to understand very well why it could not be debated last night?

**President.** — Since it could not be dealt with during the three hours set aside for this purpose, this item can no longer be taken during the present part-session. The question will be raised with the Committee on the Rules of Procedure and Petitions whether in such cases urgent items are automatically deferred or have to be retabled. For this once at least, it would be advisable to retable it.

I call Mr Patterson.

**Mr Patterson.** — Madam President, I am sorry to rise yet again on events of yesterday evening, but I am referring to the record in the Minutes of the vote that was held on Amendment No 12 to the Glinne motion for a resolution. The Minutes state the vote was held using the electronic system. It does not, however, record the result of that vote. Now this was not a vote on whether there was a quorum, which would have been the case under the old rules. Under our new Rule 71, this was a substantive vote on the amendment and the result should have been recorded. That is my first point.

My second point also refers to Rule 71. The Minutes record only two people having requested the quorum — Mr Fanti and Mr Glinne. Our new Rules require that ten Members must request the quorum. Now, the Minutes suggest that Mr Glinne asked on behalf of the Socialist Group. This is not strictly in accordance with the Rules, but it is possible, I suppose, to say that the whole Socialist Group could be deemed to have asked for the quorum. In this case the matter is much more serious, Madam President, because under our new Rules those who asked for the quorum must be

**Patterson**

counted as having participated in the vote. Now since we do not have a record in the Minutes of who voted, and since it is vital that those who asked for the vote should have their names recorded, or if it is a whole group that those present in that group shall be recorded as having participated in the quorum, it is my contention that the vote on Amendment No 12 yesterday was a valid vote. If it is not a valid vote, the statistics as to why it was not should have been recorded in the Minutes.

Now it is quite possible to argue, Madam President, that even if the Socialist Group had been counted as having participated in the vote on Amendment No 12 yesterday there would still not have been a quorum. That is something we do not know until the statistics are in the Minutes. But I do suggest, Madam President, that it would be dangerous merely to leave it like that. This was an extremely emotive and significant matter yesterday and it is absolutely essential that, if we are going to have rules of procedure, we should stick to them absolutely to the letter, and the rules on the quorum are very clear.

Could I suggest, Madam President, we do not adopt the Minutes as they stand on this particular matter and that the Committee on the Rules of Procedure and Petitions be asked to rule as to what constitutes a valid request for a quorum, and particularly whether the entire Socialist Group should have been counted yesterday evening as having participated? Maybe for the avoidance of error, we ought now to hold the vote again. But if the Committee on the Rules of Procedure and Petitions finds that yesterday's vote was valid, that, I suggest, should be the significant one, because, clearly, more people participated in it.

**President.** — Mr Glinne and Mr Fanti asked in writing, on behalf of their groups, that it be established whether there was a quorum. Made on behalf of a group, such a request necessarily comes from more than ten Members, so that there is no need for a record of their names. If, on the other hand, the request is made by ten Members, you are quite right in saying that their names have to be given and recorded in the minutes.

**Mr Patterson.** — Madam President, I am sorry, but the Minutes do record that Mr Glinne requested a roll-call vote in addition to having requested the quorum. If Mr Glinne requested a roll-call vote and the substantive vote was on Amendment No 12, then we must have the figures of the voting on Amendment No 12.

Madam President, I am sorry to come back to the other matter, but there is no provision in the Rules for a group leader to request that a quorum be established. There is only a provision in the Rules that 10 or more Members request it. Now as I say, if Mr Glinne can be

said to be standing — and here he is now — for the entire Socialist Group, I suggest it is an evasion of the Rules to say that therefore the Socialist Group must not be counted in. If the whole Socialist Group is deemed to have stood up and requested the quorum, the whole Socialist Group must be counted in the vote. That is my contention and that is what the Rules state.

Now, Madam President, you have said it would go to the Committee on the Rules of Procedure and Petitions and I accept that, but I would ask you to say if the Committee on the Rules of Procedure and Petitions finds that yesterday's vote was valid: because no proper request for a quorum was made, I do think we ought to have the figures of that vote yesterday recorded in the Minutes, because they will be the effective vote.

**President.** — I am told that the results of the vote are indeed included in the appropriate section of the Minutes.

As for Mr Glinne's request, this was submitted in writing on behalf of the Socialist Group, and in such cases it would be wasting paper to list all the members of the group, all of whom are committed by the request of their chairman.

I call Mr Albers.

**Mr Albers.** — (NL) Madam President, the minutes relating to yesterday evening are incomplete. They state that Mr Fanti withdrew his motion for a resolution, Doc. 1-289/81, but not that he did so in favour of Amendment No 11, tabled by Mr Glinne. I feel it important for this to be noted in the minutes, because it is, of course, strange for a motion for a resolution to be withdrawn in favour of an amendment and for the President then to put not that amendment but Amendment No 12 to the vote.

**President.** — The Minutes will be accordingly rectified.

As to the point raised by Mr Patterson, the Committee on the Rules of Procedure and Petitions will be asked to consider it in time for the next occasion.

I call Mr Irmer.

**Mr Irmer.** — (DE) Madam President, I think I am right in saying that the latter part of the annex to the Minutes, in which the names of those taking part in the votes are recorded, tells us about the vote ultimately taken on Amendment No 12.

I have a problem here, however. As far as I can see, the names of all — or almost all — the Socialist Members are not included in the list, and the only

**Irmer**

conclusion I can draw from this is that the Socialist Members did not take part in the vote. Their names are not recorded, but they were in the Chamber, and under the new Rules of Procedure they would have to be counted when it is being ascertained whether a quorum exists. I therefore still believe that the decision yesterday evening that a quorum did not exist was in fact wrong, because, had all the Socialist Members been counted after Mr Glinne had requested on behalf of his group that it be ascertained whether a quorum existed, the answer would certainly have been yes in my opinion and amendment No 12 would have been adopted because the majority were in favour.

*(Applause from various quarters)*

**President.** — Mr Irmer, I was not here last night, but those of my assistants who were tell me that, even by including those Socialists who were present, it was impossible to establish a quorum.

I call Mr Schinzel.

**Mr Schinzel.** — *(DE)* Madam President, we are all pleased that you are chairing the proceedings this morning, and I should therefore like to comment briefly on the conduct of last night's proceedings. The President informed us that he had made careful preparations for the sitting yesterday evening, for the difficult question of the motions for resolutions on Israel. But what we had here was sheer chaos. At best, the only ones who had prepared themselves were the officials attending the President. We call on the Bureau, and particularly the Vice-Presidents, to make reasonable preparations in the future, so that Parliament can discuss such matters in a dignified manner in future.

**President.** — Mr Vandewiele, who was in the Chair last night, has my complete support. You are unaware of the problems that may arise, particularly with the new Rules of Procedure, when unexpected difficulties present themselves. It is extremely difficult to find a solution. For the moment, and probably for some little time yet, when this kind of difficulty arises we shall have to refer it to the Committee on the Rules of Procedure and Petitions. Once more, however, I give my full support to the Vice-Presidents who occupy the Chair in my absence.

I call Mr Maher.

**Mr Maher.** — Madam President, I think that this Parliament is becoming a laughing-stock. We spent a lot of time last evening discussing which amendment to take first, on a matter we can do nothing about. People outside this House will scarcely take any notice of whether we decide to condemn the Israelis or not. Madam President, I would suggest to you that we get

on with the business. We have a heavy agenda. We are Tweedledumming and Tweedledeeing and making no progress.

*(Applause)*

**President.** — I call Mr von der Vring.

**Mr von der Vring.** — *(DE)* Madam President, I admire the way these minutes have been worded, since they project a very favourable picture of the sitting yesterday evening. I would recommend all Members to refrain from further historical research and allow the mantle of brotherly love to be drawn over last night's debate, during which quite a number of leading Members of this Parliament acted in a very unworthy style.

At the end, Mr Irmer, it was no longer possible to record the vote. No one at the back of the House here could hear what was being voted on for all the shouting that was going on. The proceedings had to be broken off in the middle, and this is presented very euphemistically in the Minutes. Please, do not begin again a debate that almost reduced the President to tears last night.

**President.** — I call Mrs Kellett-Bowman.

**Mrs Kellett-Bowman.** — Madam President, I respect Mr Maher's view very much, but the fact nevertheless remains that on this particular point we are setting a precedent which will be followed. Under the new rules those who ask for a quorum, as you yourself have just said, are deemed to have voted. Your staff has told you correctly that we have the names of those who voted, but Mr Glinne was not among them. Now we all saw Mr Glinne, and therefore he clearly refrained from voting at all, either way. Therefore he and many other Socialists were in fact present and did not vote. If they are deemed to have been there, that was in fact a valid vote.

**President.** — Mrs Kellett-Bowman, one has to distinguish between two groups — those who vote and those who are counted. Mr Glinne did not vote, but he was counted by my assistants; indeed, when my assistants were counting the numbers present to see if there was a quorum, all the Socialists present were included.

I call Mr Kühn.

**Mr Kühn.** — *(DE)* Madam President, I asked yesterday to speak to the voting procedure, because the vote presented me with a difficulty. The removal of this difficulty would also have solved the problems

**Kühn**

facing the President in the Chair for yesterday's proceedings.

I wish to vote in favour of two paragraphs of the Glinne motion and two paragraphs of the Blumenfeld motion. That is why I wanted to request yesterday that the vote be taken paragraph by paragraph. That would also have removed the difficulty that was the President's downfall yesterday: which of the two amendments, No 11 or No 12, should be given priority.

I request that the decision of yesterday's President, problematical handling of the situation though his may have been, be respected — he was after all in the Chair — and that we take another vote, the final vote on this motion this morning and that we do so paragraph by paragraph.

**President.** — Your request for a vote paragraph by paragraph is accordingly noted for the vote which, according to the Rules of Procedure, has to take place this morning.

I call Mr Coutsocheras.

**Mr Coutsocheras.** — (*GR*) Madam President, ladies and gentlemen, we have spent a great deal of time up till today on subjects which I do not think deserve further discussion. We have so many subjects to discuss. I warmly request that a stop be put to further interventions and that we embark on the topics on today's order-paper.

**President.** — I call Mr Fanti.

**Mr Fanti.** — (*IT*) Madam President, I don't quite get the point of this discussion: in fact we are supposed to be discussing the minutes of yesterday's sitting.

Well then, on these minutes I should like to make two comments. First, as an earlier speaker has already pointed out, we read there: 'Mr Fanti (who withdrew motion for a resolution such-and-such).' This should be corrected to: '... withdrew the motion for a resolution because the Communist Group would vote in favour of the Glinne amendment, No 11'.

My second comment. A few lines further down, the minutes tell us: 'As there was no quorum, the vote was postponed until the beginning of the next day's sitting.' This is an error which must be corrected, because at today's sitting it is not possible to vote on discussions that were suspended last night. Last night we spent three hours debating topical and urgent problems. We were unable to finish, and what was left unfinished after three hours of urgent debate is deferred to the next part-session. And this must be made quite clear, because otherwise we should be

creating a precedent that would upset our work completely. Nowhere is it written down that what is left over after three hours devoted to topical and urgent questions is deferred to the next sitting of the Parliament. Parliament had three hours at its disposal; these three hours were used up — it is a matter of opinion whether or not they were well spent, but that is another subject: we could hold a full-scale debate on the way we proceeded, but this is not the right moment.

It must therefore be made quite clear that the Rules must not be violated. The discussions have been closed and will be reopened at the next part-session.

**President.** — Indeed — and this has to be clearly stated — I also think that these urgent-procedure motions which could not be debated yesterday will be taken at the next part-session.

On the other hand, according to Rule 71, any vote that is broken off owing to the absence of a quorum must be placed on the agenda of the next sitting. This particular vote, therefore, will have to be taken today.

I call Mrs Kellett-Bowman.

**Mrs Kellett-Bowman.** — I am sorry to raise another point of order, Madam President, but the last one I raised was a general one. This is a purely personal one. I was here throughout that debate, and indeed throughout the whole day. I voted on the motion for a resolution. The two gentlemen on either side saw me vote; as one voted one way and one voted the other way, they are fairly good witnesses. I quite categorically voted for that resolution, but my name is not on the list. I had no means of knowing that in that case the machine had clearly not worked. I would therefore ask for my name to be recorded, because I had two witnesses on different sides, voting different ways, and they both saw me vote.

**President.** — Mrs Kellett-Bowman, your request for a correction will be recorded in the minutes of proceedings of today's sitting. In addition, we will check your electronic voting terminal and have it repaired, if need be, for the next occasion.

I call Mr Glinne.

**Mr Glinne.** — (*FR*) Madam President, an odd little mistake has crept into the Minutes. On page 56, they say: 'Mr Glinne, who requested a vote by roll-call and paragraph by paragraph on Amendment No 12', even though I spent 20 minutes calling for a vote on Amendment No 11. I ask that this be corrected.

**President.** — All necessary corrections will be made. All questions concerning the application of the Rules of Procedure will be immediately submitted to the appropriate committee.<sup>1</sup>

## 2. Procedure without debate

**President.** — The next item comprises the votes on reports dealt with according to the procedure without debate.<sup>2</sup>

(...)

**President.** — We proceed to the Deschamps report, on the EEC-Cyprus Association Agreement (Doc. 1-233/81).

### *Written explanation of vote:*

**J. D. Taylor.** — The Association Agreement between the EEC and Cyprus should benefit both communities in that island. Originally the Agreement was on the basis of a united independent sovereign Cyprus, but regrettably today the officially recognized government of Cyprus is the *de facto* administration for Greek Cypriots in Southern Cyprus and there is a separate government and assembly in the Turkish Federated State of Cyprus which is the *de facto* administration for Turkish Cypriots in Northern Cyprus.

Until both communities agree upon a settlement to the present partition of the island, the EEC must be seen to be acting impartially towards both Greek and Turkish Cypriots.

I fail to see how the EEC can make progress towards a Customs Union with Cyprus while the Greek Cypriots operate a strict trade and economic embargo against the Cypriots in Northern Cyprus.

The EEC has failed to confirm that it has spoken to both Greek and Turkish Cypriot administrations, yet Article 5 of the Protocol to the Association Agreement requires the Agreement to benefit both communities of the island. As the EEC now appears to contravene Article 5 I must abstain, much as I want to help all in Cyprus.

*(Parliament adopted the resolution)*

(...)

<sup>1</sup> For procedure without report, see the minutes of proceedings of this sitting.

<sup>2</sup> See also the minutes of proceedings.

**President.** — We proceed to the Beumer report, on taxes on manufactured tobacco (Doc. 1-281/81).

### *Written explanation of vote:*

**Skovmand.** — (DA) Smoking, especially cigarette-smoking, is one of the greatest dangers in modern society. In Denmark alone, some 5 000 people die prematurely as a result of smoking.

And yet today we are considering a report on taxes on tobacco which, to all intents and purposes, fails to deal with the problem.

This is very regrettable, because taxation can be used to promote the use of less dangerous cigarettes. Studies have shown that it is possible to reduce the number of deaths due to smoking by about 25% if people can be persuaded to change to mild brands. In Denmark alone, this would mean that the lives of over 1 000 people could be saved each year.

But this can only happen if the Community has a uniform rate of tobacco tax. For in France and Italy it is in the industry's interests to protect the most harmful kinds of cigarettes and this will inevitably affect taxation.

We in the People's Movement against the EEC are therefore against this proposal.

*(Parliament adopted the resolution)*

## 3. Votes

**President.** — The next item comprises a number of votes.<sup>3</sup>

We begin with the Martin report, on the Fifth Annual Report on the ERDF (Doc. 1-181/81).

(...)

### *Paragraph 28: Amendment No 2*

**Mrs Martin, rapporteur.** — (FR) I am not in favour of this amendment, Madam President, which was rejected in committee.<sup>4</sup>

(...)

<sup>3</sup> Only those stages in the voting are reproduced here which gave rise to speeches from the floor. For full details of the voting, see the minutes of proceedings of this sitting.

<sup>4</sup> The rapporteur spoke in favour of Amendment No 1.



**President.** — I can now give the floor for explanations of vote.

**Mr Forth.** — Madam President, as this House moves to its ritual praise of the regional policy I would like to introduce a small note of reason. I do not want those who follow the affairs of this House to imagine for one minute that we are entirely unanimous in our praise of the regional policy. There is a small number of Members who dissent from it. I am one of them, explaining why I am now going to vote against this report.

Each year the Regional Committee and this House first express their dissatisfaction with the way in which the regional policy has failed to achieve its objectives and failed to do what it was designed to do, and then they go on to draw the same conclusion that therefore we must go and put more resources into the policy in order that it may work better. Now, in the English language we have a phrase for this: it is 'throwing good money after bad'.

There is an alternative approach, Madam President, which seems never to have been considered and which I suggest to the House and to the Committee on Regional Policy and Regional Planning for their consideration. That is that, having established that the regional policy has failed to meet its objectives, they should decide that it be abolished or wound up and that some radical alternative approach be adopted in order to meet the kind of objectives originally set for the regional policy. I suggest this as a radical and new approach and something that the Committee on Regional Policy and Regional Planning might well give some attention to, because I think it would improve the quality of their deliberations and also help this House to assist the people of Europe in a much more constructive way than, alas, the regional policy has been able to do up to now.

For these reasons, Madam President, I shall vote against this report.

*Written explanation of vote*

**Skovmand.** — (DA) The differences in the state of development of the various regions in Europe is a serious problem. But is money the solution?

Mrs Martin apparently thinks so. If only the Community would grant more money, the problems would be solved, she says.

But all the evidence points to the opposite conclusion. Take Southern Italy, for example: thousands of millions have been poured into the region by the Italian State, and yet the gap between the North and

the South of the country is just as vast as it was 30 or 40 years ago.

The problem is that the poor regions cannot compete against the richer regions. Most of the labour force moves to the places where wages are highest. That means that industry has difficulty getting trained and able people. This slows down development and the vicious circle continues.

A massive and comprehensive injection of *national* aid is the only answer. The poor regions and their industries must be given a real chance to get going.

It must be national aid. The officials in Brussels have no knowledge of Sicily or Northern Djursland.

Therefore the Regional Fund should be completely abolished. And the Community should stop sabotaging the regional aid measures of the individual Member States, as has happened, for example, in Denmark.

For these reasons we cannot support this proposal.

*(Parliament adopted the resolution)<sup>1</sup>*

\*  
\* \*

**President.** — We proceed to the Glinne and Bange-mann motion for a resolution, on the bombing of the nuclear power-station at Tammuz (Doc. 1-293/81/rev.).

(...)

*(Parliament adopted Amendment No 12, which replaced the original motion for a resolution)*

*4. Community regional policy and Northern Ireland (contd)*

**President.** — The next item is a continuation of the debate on the report by Mrs Martin (Doc. 1-177/81).<sup>2</sup>

I call Mr J. D. Taylor.

**Mr J. D. Taylor.** — Madam President, this debate is important, not only because it is about the economy of Northern Ireland but because it has the full support of the three Northern Ireland Euro-MPs. I want to add my appreciation to Mrs Martin for the scope and content of her excellent report and the energy and

<sup>1</sup> For the announcement on the membership of Parliament, see the Minutes of Proceedings of this sitting.

<sup>2</sup> See Debates of 18 June 1981.

### J. D. Taylor

drive she displayed during her three-day visit to Northern Ireland. She met farmers, industrialists, local authorities and trade unionists, and the resulting publicity was a tribute to her work and enhanced the reputation of the European Parliament. I thank all those who have spoken about the economic and social conditions in Northern Ireland, but I must regret the introduction of political rhetoric by Mr Maher. His contribution was a piece of distasteful opportunism which will be badly received in Ulster.

With 20% unemployed later this year, and 40% in some districts, Ulster is certainly one of the poorest regions of the Community. Contributory factors are transport problems, energy costs, peripheral locations, terrorism and a high birthrate. Some 45% of the population are under 25 years of age, and our three Euro-MPs, like good politicians giving a lead to the electorate, have 15 children between them.

*(Laughter)*

Of course, there are also advantages. There is very high productivity in Northern Ireland industry. It has the best labour relations in the United Kingdom and a well-skilled labour force. This is why many European companies have selected Ulster for their expansion programmes. Successive United Kingdom governments have recognized the special economic problems and allocated more public expenditure per head of the population of Northern Ireland than anywhere else in the United Kingdom. This is only as it should be. However, appreciative as the Northern Ireland people are, it must be accepted that these favourable statistics include such items as EEC grants and expenditure on law and order. Exclude those two items and one must conclude that the higher expenditure on Northern Ireland as against Great Britain is not sufficient to overcome the imbalance in living standards and conditions.

I particularly want the Commission to examine the following items. Transport: the EEC is assisting the development of Belfast Airport into the fourth busiest in the United Kingdom. It is also essential to assist the sea routes to Great Britain. I liked Mrs Martin's suggestion of territorial continuity to reduce freight and passenger costs. This is an opportunity to create the totality of the United Kingdom. Energy: gas is twice the price it is in Great Britain. Now that there is a natural gas find in County Fermanagh, I want the EEC to ascertain its potential. Likewise, I hope the EEC will investigate the question of a link between the electricity grids in Ulster and Great Britain, which itself is soon to be linked to those on the Continent.

In housing, as Mr Hume mentioned, we have 40% of all houses unfit for human habitation or in need of urgent repair. In Belfast, 20% of all houses lack four of the following five items: a water supply, a bath, toilet, washhand basin or kitchen sink. Provision of EEC support for what is potentially the worst housing

in Europe would be immense value to Ulster. In tourism there is great potential for immediate growth. In recent years there has been a considerable recovery, with over threequarters of a million tourists last year. Many are now coming from Belgium, Germany and Switzerland for fishing holidays. There is need to assist the industry in main centres like Newcastle, Fermanagh, Bangor and North Antrim.

Agriculture is our largest industry and employs 15% of the workforce. This subject requires more attention than it is given in the report. For immediate consideration I would suggest an implementation of the government's report on extending the less-favoured areas. There must be early support for the grain industry to save the intensive sector in pigs and poultry, which provides much employment on our small farms. A small gesture, such as an increase in the coefficient for Bramley apples, would be beneficial almost exclusively to the province. Likewise, attention must be urgently given to the massive increase in smuggling across the Irish border, which is defrauding the EEC of ten million pounds a year at the moment. In management training, Ulster needs an élite institution for both large and small-scale businesses, with an emphasis on developing new markets in growth areas outside Great Britain, especially here on the Continent.

There are, Madam President, two amendments, and I can support the one tabled by Mr Paisley, as it removes politics from the resolution. Mr Harris's amendment serves a most useful purpose. It directs the attention of the press and media to our government's abuse of EEC funds. I was surprised to see Mr Harris's amendment, as he gave his full support to the report in the Committee on Regional Policy and Regional Planning, where he strongly deplored the government's attitude. However, someone has spoken to him in the meantime, and, of course, we in Ulster can guess who that is. Hence we have a somewhat innocuous amendment which withdraws the act of deploring and introduces the politics of apology by reminding us that other EEC countries are equally naughty when it comes to additionality. Time does not allow me to expand on this problem, but I know I speak for the people of Scotland, mentioned by Mr Hutton, and Wales and many of the regions in England, as well as Northern Ireland, Cornwall and Devon, when I say that we strongly deplore the attitude of the British Government in its handling of the problem of additionality.

Northern Ireland still has a separate devolved administration, and so it should be easy to establish the actual effects of EEC membership during the past 8 years. Using Ulster as a test case, I believe the report will be relevant to many other regions throughout the Community. I call upon one and all to support Mrs Martin's report unanimously and I then call upon the Commission to respond with speed. I thank John Hume for his initiative in this respect and I direct everyone's attention here, and more especially back

J. D. Taylor

home in Northern Ireland, to the fact that when it comes to the economic and social problems, the three Northern Ireland MEPs, irrespective of their political divisions, have a common love and concern for the future of their province.

**President.** — I call Miss De Valera.

**Miss De Valera.** — Madam President, ladies and gentlemen, like other speakers before me, I wish to congratulate the rapporteur, Mrs Martin, on the work that she has obviously done so diligently. This report deals with the economic and social tragedies of the north in an area which has been referred to as the most poverty-stricken region in the Community. One has only to look at such things as emigration, the problems of housing, industrial decline and unemployment to prove that sad fact. Unemployment in the north is staggeringly high. It is now estimated to be near 125 000. In Strabane it is running at 32%, while the average rate is over 16%. The decline of traditional industries such as shipbuilding and textiles has given rise to further unemployment. Employment in these two textile sectors has fallen from 89 500 to 25 400 during the period 1950-80. My colleagues such as the Rev. Ian Paisley and I would disagree on what was the primary cause for this deprivation, but nonetheless we will both undoubtedly agree that measures must be taken immediately to bring about the very great changes needed in the economic and social conditions in the north.

I believe that the situation can be greatly helped by the work of the Commission. All indications are that the Commission will react favourably to this initiative, which offers a new departure for the Community. We have always held the view that the European Community had the potential to tackle the economic and social problems of the six north-eastern counties of Ireland, but it has taken the European Parliament to show the way. The European Progressive Democrats fully support the call to the Commission to assess the economic outlook in the north with specific reference to the industrial sector and the development of agriculture and the food industries and to combat rural unemployment. In conclusion, we hope that the Council of Ministers will agree to the provision of the additional EEC aid which will be necessary to implement the proposals in this report, and we hope the Commission will draw up a report without delay on the impact to date of the EEC on the north.

**President.** — I call the Commission.

**Mr Narjes, Member of the Commission.** — (DE) Madam President, the Commission welcomes the report drawn up by the Committee on Regional Policy and Regional Planning and wishes to associate itself with the thanks that have been expressed to the

rapporteur from many sides. The Commission has always observed the situation in Northern Ireland with concern and particular attention, as is fitting for a region of the Community whose population has faced and continues to face the most difficult social and economic problems. Northern Ireland continues to be among the leading development areas eligible for the application of Community instruments. It is therefore in a spirit of solidarity and fully aware of the problems likely to occur that the Commission takes note of Parliament's resolution submitted on the committee's behalf with Mrs Martin's report and also refers to past resolutions and oral questions.

In its efforts to improve the economic and social situation in Northern Ireland, the Commission has already made use of all the Community instruments available: the European Regional Development Fund, the Social Fund, the European Agricultural Guidance and Guarantee Fund, measures under the ECSC Treaty, the New Community Instrument and the European Investment Bank.

I can assure the House that the Commission will continue its efforts to ensure the increasingly effective coordination and greater use of these instruments. Within the framework of the various Community policies, the Commission has always adopted special measures in Northern Ireland's favour. For example, in the application of the Community rules on State subsidies, Northern Ireland has been counted among those regions for which the highest rate of national aids may be granted within the Community. In addition, on a proposal from the Commission the Council has approved measures under the common agricultural policy to support the programmes designed to improve the situation in the border areas between Northern Ireland and Ireland, the cost amounting to 15.1m EUA, and various measures for the development of agriculture in disadvantaged areas.

For the purposes of the European Social Fund, the Community regards Northern Ireland as an area marked by high and persistent unemployment, which enables Social Fund contributions to be increased by 10%. Of all the regions assisted by the European Regional Development Fund under the regional policy, with the exception of Greenland, Northern Ireland received the highest *per capita* amount, 85 EUA, from 1975 to 1980. The substantial grants from the quota section of the European Regional Fund will shortly be joined by specific regional development measures under the non-quota section, the Commission having just approved the programmes concerned. These measures provide for grants totalling some 24m EUA.

In collaboration with the appropriate authorities of the United Kingdom, the Commission has also been actively implementing an integrated measure in the Belfast district involving the simultaneous application of several Community instruments. The Under-Secre-

## Narjes

tary of State in the United Kingdom's Northern Ireland Office, Mr Mitchell, submitted the operational documents for the appropriate investment programmes to the Commission on 14 May. The Commission is examining these documents to see which programmes can be assisted with the various Community instruments.

Finally, in March 1981 the Commission set aside a specific portion of the financial contribution decided by the Council on 27 October 1980 as part of the additional measures in favour of the United Kingdom, for the financing of programmes in Northern Ireland. With 2.7% of the total population of the United Kingdom, Northern Ireland has received 14.5%, or 203.2m EUA, of the total aid and 7.1%, or 81.5m EUA, of the total amount in loans granted to the United Kingdom in 1980.

This in itself shows the considerable importance attached to Northern Ireland in the utilization of the Community's financial instruments. The Commission is prepared to take a closer look at the results achieved with the Community measures, particularly with regard to the creation of employment.

Madam President, although a great deal has been done, a great deal still remains to be done, as this debate has shown. The Commission is determined to ensure that this particularly disadvantaged region of the Community continues to receive the necessary support and assistance in the future.

**President.** — The debate is closed. We proceed to the vote.

(...)

*Eighth indent of the preamble: Amendment No 2*

**Mrs Martin, rapporteur.** — (FR) I am against, Madam President. This report was unanimously adopted in committee, and this phrase was included. Furthermore, I take the opposite point of view to what is proposed here.

(...)

*Paragraph 5: amendment No 1*

**Mrs Martin, rapporteur.** — (FR) I think we can take a favourable attitude to this amendment, Madam President, even though I regret the replacement of the word 'deplores' by 'notes'.

(...)

(Parliament adopted the resolution)

## 5. Coastal erosion

**President.** — The next item is the report by Mr Hume, on behalf of the Committee on Regional Policy and Regional Planning, on the problem of coastal erosion (Doc. 1-830/80).

I call the rapporteur.

**Mr Hume, rapporteur.** — Madam President, the initiative represented by Mr Cronin's motion for a resolution is to be welcomed. Too often in this Chamber, we deal with subjects which lend themselves to philosophizing and tend to neglect issues of a more practical nature which affect the lives and the livelihoods of the citizens of our Community.

Coastal erosion is a subject which is very evident to the eye in many Community regions. Most, but not all of them, are clearly less favoured in the sense we usually give to that term. What is surprising is that this prevalent phenomenon has received so little attention, in the absence of the detailed studies which we need to make a coordinated attack on the problem. This must evidently be the first priority and the Commission must take a lead in this.

Secondly, when looking at development problems in the affected regions, we must clearly make sure that coastal erosion receives the treatment it requires.

Turning to the amendments which have been put down to my report, I must say that when we were discussing in the Committee on Regional Policy and Regional Planning the suggestion to entrust to our European Environmental Fund responsibility for promoting projects to prevent or contain coastal erosion, the feeling was expressed quite strongly that what is necessary is for the existing financial instruments to take better account of this sort of problem rather than an uncoordinated creation of new instruments. I would therefore recommend that the House does not adopt Amendment No 2, tabled by Miss Hooper on behalf of the Committee on the Environment, Public Health and Consumer Protection: we would prefer Amendment No 1, by Mr Johnson on behalf of the ED Group. As for Mr Battersby's amendment, I must express a certain perplexity in that its object is not sufficiently clear, since erosion mainly takes place in the rocky areas of the Community while in the shallower areas flooding might not seem to be too grave a problem. With regard to priorities, it would seem odd to press the Commission to act before the requisite studies have been completed.

## IN THE CHAIR: MR ROGERS

*Vice-President*

**President.** — I call the Committee on the Environment, Public Health and Consumer Protection.

**Miss Hooper, draftsman of an opinion.** — The Committee on the Environment, Public Health and Consumer Protection was greatly concerned at the far-reaching and often irreversible ecological consequences of coastal erosion and was unanimous on the need for action to protect flora and fauna and even, in some cases, to safeguard human life.

This problem, Mr President, does not confine itself within national boundaries, and therefore we felt it most appropriate to tackle it at a European level and to take advantage of the Community's ability to pool knowledge and experience for the benefit of all. I trust that the coastal erosion studies will have priority under the Community's existing environmental research programme.

Not only does the problem not confine itself within national boundaries, however, it does not confine itself either to areas designated to benefit from Regional Fund grants, and it is for this reason that I move the amendment tabled in my name on behalf of the committee, which highlights the need for a fund which can be used to meet environmental needs in general and this type of case in particular.

May I remind Members that the allowance for an environment fund has already been made in the budget? The purpose of this amendment is not to create yet another fund but to point out how useful an environmental fund will be.

Moreover, by introducing this amendment we have no intention of excluding existing Community facilities. It was regarded as being an additional benefit specifically to help those areas which will not benefit under existing Community facilities. I, therefore, Mr President, beg the House to support this amendment.

**President.** — I call the European Democratic Group.

**Mr Turner.** — Mr President, I must most heartily support Miss Hooper and the Committee on the Environment, Public Health and Consumer Protection. Although this report comes primarily from the Committee on Regional Policy and Regional Planning, it undoubtedly is not a matter which is concerned with the economy only, and you cannot apply to it the economic criteria of development areas. Coastal erosion has nothing whatever to do with the economy of the hinterland, and I think it is most

important that we should in this Community help those in need because of coastal erosion wherever they are. In my constituency there is one such place, the Naze at Walton: it will never be a development area, but I do not see why the people of Walton should not have some assistance from the EEC to do something they cannot possibly afford to do for themselves, and that is to protect themselves from coastal erosion.

I therefore hope that this Parliament will strongly support Miss Hooper and the Committee on the Environment and will make a reality of the budget line which has existed, as I understand it, for some time on the environment. We should make it a reality so that we can give help where it is needed.

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

**Miss De Valera.** — Mr President, we are particularly pleased that Mr Hume's report on coastal erosion is being debated today, since it represents the conclusion of a resolution originally tabled by Mr Cronin, of the Group of European Progressive Democrats.

Mr Hume's report demonstrates quite clearly that a major problem does exist: that the Community has been negligent in this area and that action is required. When Mr Cronin drew up his resolution, he referred to the extensive damage caused each year to the coastlines of the Community by adverse weather conditions. The other causes of coastal erosion should not be neglected either. In particular, mention should be made of natural forces such as land subsidence and human factors such as destruction of the natural vegetation and the indiscriminate removal of sand and pebbles for building.

The Commission has noted, in its communication to the Council of 7 May 1980 in connection with the Community's environmental action programme, that a general strategy is needed for coastal protection. That such a strategy is required is evident from the fact that 1100 kilometres, or 700 miles, of the Community's coastline are affected by coastal erosion. South-east Ireland is a typical example of a threatened and vulnerable area.

Action on a Community basis must first identify the extent of the problem and then implement remedial measures. This will mean an immediate exchange of information between national experts in the Member States. The Commission should make the necessary arrangements to convene a meeting of such experts without delay.

The next step must be then the implementation of specific projects in priority regions. We call on the Commission to make the necessary financial provisions available in the 1982 budget for appropriate

**De Valera**

research studies and pilot projects. There is no shortage of suitable projects in Ireland, and we would urge the Commission to undertake a pilot project on the south-east coast of Ireland.

In Ireland, the Coast Protection Act of 1963 confers on the Commissioners of Public Works the power to execute a coastal protection scheme where land is being progressively damaged by the continuing encroachment of the sea as distinct from occasional or abnormal storms. The gravity of the situation in Ireland can be demonstrated by the fact that while over 80 requests for aid have so far been received, only 16 have actually been completed under the Act. These schemes are in areas such as Donegal, Cork and Wicklow. The financial resources available in Ireland are totally inadequate. This is why action at Community level is so crucial. Progress with coastal protection in Ireland is slow. It is a very specialized engineering activity, and the causes of any particular case can seldom be judged without close study and observation, often over a long period. Remedial measures sometimes necessitate trial and experiment. Progress is also slowed by the limited financial and staff resources available.

For these reasons, we support Mr Hume's resolution on coastal erosion. We also support the amendment proposed by the Committee on Environment, Public Health and Consumer Protection, which stresses the urgent need for a European environmental fund to the extent that the establishment of such a fund would not adversely affect other Community financial instruments such as the Common Agricultural Policy, Regional Funds and the EAGGF.

**President.** — I call Mr Paisley.

**Mr Paisley.** — Mr President, on reading the explanatory statement to Mr Hume's resolution, I note that mention is made of the north of Scotland, southern Scotland, the north of England and Wales and south-east Ireland, but no mention is made of the north of Ireland. One of the most beautiful coastlines in the whole of the United Kingdom, perhaps in the whole of the world, including Wales, sir, is the North Antrim coastline. That coastline has suffered seriously from erosion. I refer in this House to the case of Port Ballintrae, where an expert in this matter, Dr Carter, of the New University of Ulster, has made a preliminary study and estimates that in order to stop the destruction of that coastline, some £ 100 000 are urgently needed. I trust that when these projects are considered a project will be considered for Northern Ireland, so that the north-eastern part of the island's coastline will be protected.

**President.** — I call Mr Purvis.

**Mr Purvis.** — Mr President, I suppose the North Sea could be called the Community Sea, with six of the Member States bordering thereon. But we do not really understand how the North Sea works — how it affects our coasts and the natural attributes of our coasts, historic shrines that are on it and the tourist and sporting amenities. We must study the actions of the North Sea — its tides, its waves and its currents. I therefore welcome the environmental research programme for which first tenders have just gone in to the Commission, and I hope they will pay particular regard to discovering what does make the North Sea tick. Why is it that the shrine of St Andrew, the patron saint of Scotland, the town named after him, St Andrews, and the shrine to golf, one of the great sports of this world — the old course of St Andrews — are being slowly washed into the sea? We must find out; we must find a solution. I therefore welcome Mr Hume's report and ask the Commission to pay particular regard to the problems of the North Sea when awarding these tenders, and then the Community must come down with finance and help in solving these problems.

**President.** — I call Mr Nyborg.

**Mr Nyborg.** — (DA) Mr President, as other speakers have said, we all agree that coastal erosion is a serious problem in large areas of the Community. Our rapporteur, Mr Hume, is undoubtedly right to say that we need more knowledge and experience in this field — and may I in this connection question whether the committee really had enough knowledge of the subject when drawing up this report;

Let me make it clear that I fully endorse the motion for a resolution, but I do have a few comments to make.

It is estimated in the report that some 1 100 kilometers of coastline in the Community are threatened by erosion, which is far too low a figure in my view. Let me tell the committee and the House that Denmark's coastline alone is about 7 500 km in length. At least 400 km of Jutland's west coast on the North Sea is particularly affected by erosion. In addition, there are considerable stretches of coast on Lolland-Falster where a whole lot of protective measures have already been taken — dikes and so on. But when I look at what is going on in my own country alone, I am bound to say that there can hardly be very many meters left out of the 1 100 km mentioned in the report for the Northern and Southern coasts of Scotland, Northern England, Wales, South-East Ireland, Northern Ireland, the German Baltic and North Sea coasts, the French Atlantic coasts, and others. All right, I agree this is not so important in the present connexion, for what we are recommending here is that studies should be carried out and the results submitted to the Council and Parliament. But I think that, when this has been done,

**Nyborg**

it will be found that the figure should be two or three times as large.

Reading the report, one gets the impression that there has been hardly any research into the problems of coastal erosion and protection. But the position is not quite as bad as that. As long ago as 1876, the Danish State constructed breakwaters for the first time to protect Jutland's western coast from the North Sea, and in the hundred-odd years since then the Danish coastal inspectorate has acquired a great deal of knowledge and experience of coastal protection. It is estimated that the North Sea eats away about 40 hectares of land each year from Denmark's West coast, and, judging from some of the research that has been done, I wish to stress that before specific projects can be implemented, extensive preliminary studies must be carried out into the structure and nature of the seabed, kinds of material, strength of the current, direction of the current, tide, etc.

Coastal erosion and measures to prevent it have up to now been regarded as a national problem. But that is not the worst of the matter, because in the case of Denmark the State is responsible for only 55 km of coastline. The remaining 7 400 km are in theory simply a matter between the individual private landowners and the sea. We give aid to farmers in developing countries, farmers in difficult mountain regions and so on, but the farmer who sees more of his land lost to the sea every year is left entirely to his own resources. It cannot be fair to expect people in what are often very thinly populated, really poor regions, to bear the whole burden of protecting the coast.

These are special circumstances which justify the Community contributing some financial assistance.

Mr President, it is Friday morning, so I shall not go on longer, but conclude by saying there is nothing wrong in the rapporteurs proposing that funds should be made available out of the Regional Fund for certain coastal areas. But the work of coastal protection cannot be tackled properly if there is narrow bureaucratic haggling over which moneybox might, perhaps, be unlocked to provide the money. And the projects which the Community participates in must be conducted on the basis of objective criteria to ensure that they have the maximum effect. I recommend that we vote for this resolution.

**President.** — I call the Commission.

**Mr Narjes, Member of the Commission — (DE)** The Commission wishes to congratulate Mr Hume on his report and his initiative. It has taken a keen interest in the work that has been done by the Committee on Regional Policy and Regional Planning on problems connected with coastal erosion in the Community. The limits on speaking-time prevent me from taking up a

number of interesting suggestions and discussing Mr Nyborg's realistic attitude towards costs.

The problem we are now discussing is undoubtedly of European dimensions, first, because all the coastal States of the Community and many of their regions are particularly affected and secondly, because the environmental, economic and regional planning problems connected with coastal erosion directly concern various Community policies and above all the environmental and regional policies.

The critical situation facing many coastal regions in the Community at present is largely due to the fact that phenomena of natural erosion have either remained unrecognized or have at least been ignored in the past. They must be dealt with as part of a comprehensive regional development and environmental protection policy. The Commission therefore fully endorses the motion for a resolution Parliament has before it today. Furthermore, it has already initiated or planned a number of studies, some similar to those suggested in the opinion of the Committee on the Environment, Public Health and Consumer Protection. Adequate information is essential to the implementation of any preventive policy in this area. The ecological map that is planned will describe and evaluate the environmental situation at Community level. The proposal the Commission intends to forward to the Council in 1982 will undoubtedly take account of the need for priority to be given in the use of the draft to certain zones and as a function of certain indicators, such as dangers to the natural environment. In view of the complex nature of these phenomena, there must also be closer coordination of research, and to this end the Commission will examine the possibilities offered by the research programme on the environment and climatology.

The Commission will continue to pay close attention to the problem of economic vulnerability when scrutinizing the regional development programmes submitted to it by the Member States and the projects for which Regional Fund grants are requested. Although, as the House knows, the possibilities are very limited at present, the Commission will do everything in its power to contribute to the financing of certain model projects from its study budget.

**President.** — The debate is closed. We proceed to the vote.<sup>1</sup>

(. . .)

I can now give the floor for explanations of vote.

<sup>1</sup> The rapporteur spoke in favour of Amendment No 1 and against Amendments Nos 2 and 3.

**Mr Kirk.** — (DA) Mr President, in view of the great interest in the problem of coastal erosion in Denmark, most recently following this last winter, when a very large stretch of the northern part of the North-Sea coast of Denmark suffered severe damage and many people simply had their homes snatched away by the sea, I can say that I welcome this proposal, since I know that both it and the report are directly concerned with, among others, the problems which we have on the North-Sea coast of Denmark in the northern and southern regions of Jutland. I welcome it because the implication in the report is that these regions should be given priority in the protective measures which it is hoped can now be introduced under Community auspices.

While I endorse the proposal and intend to vote for it, I hope the Commission will try to implement some of the proposals straight away, so that the action we can take directly at Community level without excessive expenditure can be taken and we can begin to solve the problems with which many people living on the coast of Denmark and other countries have to contend. I therefore mean to vote for the proposal and recommend that the House do the same.

**Mr Battersby.** — Mr President, Holderness, in Humberside, has a 100-kilometer stretch of very shallow, very soft, boulder-clay coast. It erodes by 10 metres a year, which means a million square metres lost every year. It is the worst case in the Community; the Humber estuary is in constant risk of major disasters resulting from a break through there, and therefore I would ask the Commission that they give priority to this in their research and pilot projects. It is not the rocky, high, hard coasts which are the problem, Mr President, it is the shallow, low, sandy or clay shores of Holland, of your land and of Holderness which are causing the losses to life and property. I welcome the fact that at last we are doing something positive about this serious problem, and I shall be voting for the motion.

**Mr Blaney.** — Mr President, I have been interested in this whole matter of coastal erosion for very many years, but purely on a national basis, naturally. I did have an opportunity of helping to put on our statute books some instrument that could have been helpful, but despite the passage of almost 20 years since then, very little has been done. I was interested to hear of St Andrews and the dangers of its being washed away. I would just list here, in addition to that, several other such sporting facilities: Courtown, Ballybunion, Lisfannon, Rosapenna and Woodbrook — all of them, believe it or not, outstanding golf-links and all of them, like St Andrews, endangered by this erosion. I welcome the possibility of getting some financial help to put with the knowledge that is already there. I think we have the knowledge if it was all pooled, but we do

not have enough money. I welcome the report and I am supporting it.

(Parliament adopted the resolution)<sup>1</sup>

#### 6. Harmonization of social provisions in the transport sector

**President.** — The next item is the second report by Mr Key, on behalf of the Committee on Transport, on the harmonization of social provisions in the transport sector (Doc. 1-89/81).

I call the rapporteur.

**Mr Key, rapporteur** — Mr President, I have great pleasure in presenting this report, which originated in a motion presented in this House, over twelve months ago, by members of the Committee on Transport and, indeed, passed by the Committee on Transport last October, but owing to the problems of organization of this House, of which we are all well aware, it has taken until this June to get it on the agenda for debate in plenary sitting.

This report deals with a much neglected area of the Community's transport policy: the harmonization of social provisions in all transport sectors, as a means of eliminating distortions of competition, improving the working conditions of transport workers and raising the general health and safety standards within this sector. I would remind the Parliament that one does not seek harmonization in this sector for its own sake, but in the vital field of transport progress has so far been either totally inadequate or rather haphazard.

My explanatory document seeks to analyse the various fields of transport against the background of our duty under the Treaty and of our moral commitment to the workers of this Community. At every point, the report emphasizes that due account be taken of the conditions prevailing in the various regions of the Community, for remote regions can lose so much as a result of ill-conceived legislation and ideas.

First of all, road transport. On pages 9 and 11 of the report, we have endeavoured to explain what has happened with respect to the famous Regulation 543/69, in which we called upon the Commission to seek means of ensuring that the information supplied by Member States is more up to date. I ask that the Parliament be now automatically consulted each year on the general reports submitted by the Commission to the Council; but what is the use of passing legisla-

<sup>1</sup> For the verification of credentials, see the Minutes of Proceedings of this sitting.



## Key

tion if neither the Council nor the Member States enforce it?

Secondly, inland navigation. The draft proposed regulation is still the subject of consultation in this field, and in paragraph 20 I state that there are still many reservations put forward by both employers and trade-union organizations who oppose this legislation. I seriously hope that the Commission and the Council will lend major impetus to this proposal, but I think it will require greater understanding of the needs and aspirations of transport workers throughout the Community, because if we fail to secure their cooperation we shall fail to create the political will to achieve a real Community. Very briefly, the failure to act with regard to railway transport can only be condemned by this Parliament. Both Commission and Council must go forward again here.

Likewise, in air transport there has been very little action, but I look forward to the Commission's study on working hours and labour costs in civil aviation. The report by Mr Hoffmann last year, adopted by the Parliament, clearly defined the areas where action should be taken for workers in air transport.

In sea transport, too, there has been very little progress, but here I am more hopeful of an advance because of the great pressure for action which is building up as a result of the problems of flags of convenience, the use of ill-qualified crews, disregard of the minimum IMCO safety standards, the need to combat pollution in Community waters and also the present flouting of ILO minimum wage recommendations on cruiser liners. I therefore urge this House to accept this report. I urge the competent national and Community authorities to take immediate steps to halt these indefensible practices and combat those acute problems which are now threatening our Community shipping industry.

Therefore, Mr President, I call for a change of spirit and of approach on the part of both the Commission and the Council. This will involve the Commission in allocating more staff, resuming the work of the joint committees and coming forward with new proposals. It will also mean that Member States must accept their full responsibilities and stop pussy-footing around. We cannot continue to have the nudge and fudge. The Commission must be more positive and put proposals forward to the Council, and then the Council must act upon them. But, what is more important, we must not only look forward, develop new legislation and find new ways forward; we must also ensure that the legislation which is already on the statute books is implemented, because when laws are disregarded and the competent authorities fail to enforce them, the whole basis of our system collapses and the Community loses credibility throughout the regions.

In conclusion, Mr President, I reassert my belief in the transport sector and the need for going ahead. To save

time later on, I support the first amendment by Mr Hoffmann, and the need he talks about for controlling the application of existing legislation without neglecting the development of new legislation.

Therefore, Mr President, I recommend this report and the resolution to the Parliament.

**President.** — I call the Socialist Group.

**Mr Albers.** — (NL) Mr President, some time ago a feeling of considerable concern led me to table, on behalf of a number of members of my group, a resolution on the harmonization of social provisions in the transport sector. We feel that not enough progress is being made in the harmonization of social provisions. It is taking far too long.

The harmonized social provisions in the transport sector were drawn up in 1969, and it has taken until 1981 for them to be fully implemented. The delay has been partly caused by the enlargement of the European Community, since the new Member States, the United Kingdom, Ireland and Denmark, had to adjust themselves to these provisions. But the fact remains that tachographs have not really been installed in lorries until this year.

We are, of course, very curious to know about the enforcement of the provisions in this respect. We would like to know whether infringements have in fact been detected and whether they have led to prosecutions, thus forcing drivers and, of course, operators to observe the provisions. We attach great importance to this, because we feel that conditions of competition are at stake. An operator who does not take the provisions seriously is operating under more favourable conditions and can offer better rates than other operators who keep to the rules. We cannot have that, of course. We must be certain that the provisions are properly applied in the various countries of the European Community.

Another important point is road safety. It is perfectly clear that it is not in the interests of road safety for drivers to work excessively long hours, which unfortunately they often do. It is therefore extremely important that the proposals forwarded to the Council in 1977 on the adjustment and improvement of legislation should be considered as soon as possible and appropriate decisions taken as soon as possible.

Another sector that has lagged behind a long way in this respect is inland-waterway transport. It is some years since we discussed this subject in Parliament, when the Commission put forward various proposals. These proposals were not adopted by the Council. Amendments had to be suggested, but as far as I know, little progress has been made. We should like to know more about this. What is the cause of this

**Albers**

constant delay? How many people are in fact working on this at the Commission?

When can we expect the inland-waterway sector throughout the European Community to be governed by common social rules?

Some progress has been made in certain Member States, particularly my own country. In the Netherlands, the Chambers of the States-General have passed an Inland Shipping Act which contains provisions to improve the safety of ships sailing on inland waters and to ensure satisfactory working conditions aboard these ships. The provisions applicable in the Netherlands must be compared with those that apply in the other countries of the European Community, and the aim must be the application of uniform provisions in the Member States wherever possible. This is far from being the case at present.

It is for these reasons that we call with the utmost urgency for action on the part of the Commission and Council, so that harmonization may be achieved in this area as soon as possible.

We are also disturbed to find that, according to the schedule of priorities for the transport sector, social provisions relating to working conditions in sea transport are not to be discussed until 1983. Mr President, that is leaving it too long. The Socialist Group therefore wholeheartedly approves the Key report. We fully endorse it and hope that Parliament will adopt it.

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

**Mr Hoffmann.** — (DE) Mr President, ladies and gentlemen, during the campaign for the European elections many Members of this Parliament called for an improvement in workers' conditions. The resolution contained in the Key report on the harmonization of social provisions in the transport sector will now give them all an opportunity to translate their declarations of intent into reality.

The transport sector is one of the three most important areas covered by the Treaties of Rome, but the Commission and Council do not, unfortunately, draw the necessary conclusions from this fact. The common transport policy is consequently still Europe's underdeveloped sector and this despite the fact that the transport of passengers and goods from one Member State to another makes a far greater contribution to European integration than many of the declarations constantly being made by the Council and Commission.

Social activities in the transport sector would above all help to gain the support of the transport unions and the transport operators for European unification. Improvement of social provisions is also a fundamental

requirement for the liberalization of competition in the transport sector. Nevertheless, the Commission has not taken any action worthy of note in this area in the last five years. Unless, however, the Commission takes action, there will certainly be no movement in the Council. The Council has repeatedly prevented the implementation of initiatives taken by this Parliament: it is progressively reverting to national egoism.

It is an absolute scandal, for example, that the Federal Republic, alone among the Member States, should have recently again rejected the proposal that the tax-free contents of the fuel-tanks of buses and lorries be increased. The application of Regulation No 543 has been systematically blocked ever since it was adopted. My group therefore calls not for the reform, but for the strict enforcement of Regulation No 543 and for checks to ensure that it is being applied. Our amendment also makes this demand, because this is in the best interests of workers engaged in the transport of goods by road.

Another aim of ours is to prevent substandard ships from sailing under the flag of a Member State of the Community. The elimination of low-wage groups on ships sailing under European flags should be the subject of special discussions between employers and employees, and joint committees would be a considerable advantage here. We are not opposed to the liberalization of the transport policy, but we do feel that account must be taken of traditional structures and the workers' interests. That is why we advocate the improvement of social conditions in road haulage and inland shipping, because it is in these sectors in particular that Europe has a special contribution to make to the improvement of the position of the worker.

My group wants social security, prosperity and personal happiness for everyone in this Community. The European Parliament can provide an opportunity of achieving this. Let us therefore together ensure that the great declarations made during the European election campaign do not remain empty words. Let us make every effort to ensure that practical, progressive measures are taken to the benefit of the people of this Community.

**President.** — I call the European Democratic Group.

**Mr Hutton.** — Mr President, the members of my group generally welcome this report as part of the movement towards eliminating distortions in competition in transport. However, I do think it is desperately important to remind this House of the difficulties being encountered at the edges of the Community, in such places as Scotland, where I come from, where the best of intentions are causing considerable distress and could themselves lead to distortions which will damage the very areas the Community is always saying it really wants to help. We are pleased therefore to see the

**Hutton**

emphasis on the difficulties of remote areas and the many problems facing people who try to haul goods on ferries and narrow twisting roads a long way from the much better and faster roads of the richer areas of the Community.

If I might give the Commissioner an example, it is now impossible for Scottish hauliers in the central belt of Scotland, let alone the highlands, to reach the southern English port of Dover, where there is a constant shuttle of ferries running to the Continent. They are now forced to go to Hull, where there is one ferry a day. If they miss that ferry, they must sit for 24 hours. This is not giving them fair competition.

I am sure that is not the Commission's intention, and I do beg them to look more flexibly upon problems of this kind that are arising. While only a small part of this report is devoted to this subject, we in this Group will be eagerly awaiting the report on transport in the remote areas which has been initiated by members of the Group.

We shall be looking to the Commission to pay much closer attention to remote areas in its measures. I might add, Mr President, that one of the things which really irritates people in distant areas is the thought that the law is not being as rigorously enforced in other places as it is there. So we place great importance on paragraph 8 of the report, and we serve notice that enforcement is one of those subjects to which we may well return if this feeling that it is not being fairly enforced persists.

There is too, we think, the need for a clearer definition in particular of exempt vehicles, and we very much hope that the content of the regulation to exempt vehicles from the tachograph regulation will be discussed during the forthcoming British presidency.

Mr President, in giving our support to the report, I should like to draw attention to the two amendments which we have submitted in the belief that they will improve and strengthen this report on a very important part of transport policy.

**President.** — I call the Liberal and Democratic Group.

**Mrs von Alemann.** — (DE) Mr President, ladies and gentlemen, this report calls for increased harmonization of social provisions in the transport sector with a view to preventing distortions of competition and improving working conditions.

As in all sectors of the transport policy, no progress has been made in this area in recent years. We have repeatedly said on other occasions how important the harmonization of certain provisions is for the whole of the transport policy. This is true not only of the tech-

nical and fiscal fields but also, and above all, of the harmonization of social provisions now before us.

Of course, it is not simply a question of adopting provisions which are then not observed at all or observed in different ways. It must be ensured that these provisions are uniformly enforced by all the Member States of the Community. Evidently there is only one effective means of guaranteeing the application of these provisions: checks will unfortunately have to be made. It would undoubtedly be better if this were not necessary, but past experience has shown that these tiresome checks are indispensable.

We of the Liberal and Democratic Group have always striven for a breakthrough that would lead to a common transport policy. The harmonization of social provisions is a first step in this direction, and we therefore approve this report.

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

**Mrs Ewing.** — Mr President, on behalf of my Group I too rise to support Mr Key's report and to thank him and his committee for the work they have done. I thank them in particular for accepting the two amendments which I initially tabled in order to emphasize the problems faced by remote islands and depopulated and isolated areas. Mr Key has, I see, incorporated my amendments in paragraph 10, so I would again thank the committee for accepting the importance of the faraway places. They do feel remote and often feel that rules are made which are not tailored to their needs. Although very sensible in principle for densely populated areas, these rules make no sense when vehicles — lorries, tourist caravans, private cars, a doctor going to his appointments — have to travel, as is often the case in such areas, on single-track roads. I really wonder how many Members living in the more densely populated parts of the Community really know what it is like to go on long journeys on single-track roads. It is really a nightmare, particularly in the summer. We want tourists, and it is not a question of saying we don't want their caravans. We need them, otherwise the tourist section of our economy doesn't survive. So I am not going to say too much. I think Mr Hutton covered the point about the remote areas.

I would like to refer to the support that Parliament gave me earlier in the year on the tachograph and on a derogation which the Parliament agreed should be made in favour of remote parts of the Community — and not only the highlands of Scotland by any means. My criterion was simply that the areas concerned should be more than 50 miles removed from motorways and island-based transport. In these two cases there should be flexibility, and to get something through the Parliament at that time I suggested a very modest concession of two days a week from eight to

## Ewing

nine hours. I think that is not enough. I think Mr Hutton made the general argument here, but it was a start. I was able to show, in the statistics I supplied to the Commission at that time, that for many hauliers what should be a two-day journey becomes a three-day journey. In certain cases, such as the one of going to Dover, you might have a two-day journey becoming a four-day journey. Now what haulier, especially one operating in a small way, can survive economically if these are the actual rigid conditions of his profit-making?

The Commission must be fair to the remote areas. There is a problem of enforcement, but the major problem, I think, is that the Community rules seem silly. The law becomes an ass, and that is never good. It is never good for anybody in an organization if their rules are silly and stupid when carried to their logical conclusion, as if all roads everywhere are the same and all distances to markets are the same. There must be flexibility. I think nothing much has happened since those measures were adopted by Parliament in what was a fairly exciting debate, to me at least. I think it is time that real priority was given. I know that meetings have taken place and that the Commission has been giving attention to this. There have been meetings with hauliers in various sections of the industry — at least so they inform me — so I think that the Commission has been taking note of this.

One last point, a different point entirely, arises from page 13 of the report and relates to the question of safety at sea. In the North Sea, the area I am familiar with, abuses are taking place that would have to be regarded as scandalous even if one were only giving lip-service to the idea of trying to avoid pollution. We have the situation where the major oil-companies and the State-owned oil corporation in Britain — the British National Oil Corporation — are employing substandard tankers, often with substandard people at the helm, apart altogether from the crews. This saves in each case some thousands of pounds, but at great risk to the waters. What a risk to the marine life, to the coast, to tourism! It is a scandal and there is a port in Shetland, in my area, which is bravely taking very restrictive action against such tankers. However, the law of the United Kingdom is not necessarily such that it would back this port of Sullom Voe. If Sullom Voe stuck its neck out it might have to face huge actions against the Councillors in the courts. Now that is not a satisfactory situation. So I am asking all of you to insist on port control. If one brave port black-lists a tanker for being substandard, every port in Europe should do likewise. Until we do that, all our waters are at risk from these floating monsters.

**President.** — I call Mr Markozanis.

**Mr Markozanis.** — (GR) Mr President, it is a proved fact that in a great number of cases, and especially in the sector of agricultural products, the comparative

advantage in production is outweighed by the comparative disadvantage in transport, with the result that these regions become depopulated and the population is concentrated in urban centres. It is also well known that this concentration of population entails an enormous social cost, but as this is usually covered by State budgets it is not immediately comparable with the increased cost of transport to the remote regions of the Community.

As the various measures taken by the Community must have a point of orientation in the long term, I have submitted an amendment to modify paragraph 10 of the report by Mr Key.

My amendment is as follows: 'The European Parliament invites the Commission, within one year from the passing of the present resolution, to study the special transport problems faced by remote islands and remote and depopulated regions and to submit concrete proposals to subsidize the cost of transport and of investments in transport serving these regions.'

**President.** — I call the Commission.

**Mr Narjes, Member of the Commission.** — (DE) Mr President, the Commission would first like to thank Mr Key for his outstanding report and also the committee for the work it has invested in this report. The report is an important contribution to the efforts to improve the harmonization of working conditions in the transport sector.

It has become a tradition for the Commission to consult as many as possible of the parties and groups concerned before it draws up its proposals for the common transport policy. In the social sector, the Commission can turn to joint committees and *ad hoc* groups composed of employers' and employees' representatives. It therefore goes without saying that it will also take account of paragraph 6 of the motion for a resolution.

With regard to road transport, the Council has adopted a first regulation, No 543/69. Unfortunately, it has not yet expressed its views on a second regulation proposed by the Commission and containing provisions on working hours, breaks, leave and so on. The Commission will keep up the pressure on the Council to resume its discussions on the 'second phase' in the near future.

In this connection and in view of a number of amendments proposed in particular by Members of this Parliament to Regulations Nos 543/69 and 1463/69, the Commission will be considering how to solve the problems facing the remote islands and the sparsely-populated and isolated regions, problems which have been repeatedly referred to during this debate.

## Narjes

The Commission feels that the Council should continue to discuss its proposal for social harmonization in the inland shipping sector, taking particular account of the special problems encountered in Rhine shipping. The Commission is also prepared to continue its work on harmonization in the railway sector, specifically through the resumption of consultations with the social partners.

Measures in the sea and air transport sectors are still very much in the initial stages; but here again, the Commission takes note of the recommendations contained in the Key report and will bear them in mind as it continues its work. However, the House should not overlook the particular difficulties encountered in these sectors owing to their world-wide dimensions. It is also extremely important for the Community's social measures to be subject to strict checks. Some Member States should pay greater attention to this aspect than they have done in the past.

As the Key report says, it cannot be denied that the Commission's action to advance social harmonization is seriously hampered by a shortage of staff in the appropriate directorates-general. The Commission will do what it can to remedy this. I might add that this is a problem the Commission faces in many other areas of its activities and one that might come as a surprise to the casual consumer of the mass media, with their distorted depictions of European reality.

Mr Key's report therefore provides the Commission with an opportunity of expressing its firm intention to make a renewed effort to develop Community provisions for the transport sector. As regards the amendments and motions for resolutions, Mr President, the Commission can but approve Amendments Nos 1, 2 and 3 and the first half of Amendment No 4. I should point out, however, that the second half of Amendment No 4 touches on a subject which is not strictly connected with this report.

**President.** — The debate is closed. We proceed to the vote.<sup>1</sup>

(. . .)

### *Written explanation of vote*

**Mr Purvis.** — While supporting the Key report, it is necessarily general. It reinforces the need for harmonized standards for those working in the transport sector.

To be specific in the area of road transport, in particular as to how it affects lorry-drivers in an industrial area of the Community which is, however, located far

from the major markets (Central Scotland). I must represent their requests that the following items be investigated and harmonized as soon as possible on a European basis:

- (1) distance bonuses and their effect on speed, safety and economic transport costs;
- (2) sleeper cabs (safety, health and hygiene);
- (3) exception to strict drivers' hours (e.g. to allow completion of journey if within, say, 50 kilometres or 1 hour of home depot);
- (4) security parking and rest-area facilities;
- (5) citizens' band radio, its potential for safety and efficiency, and a common BBC standard (including wavelengths and range).

*(Parliament adopted the resolution)*

### *7. Markets for the carriage of goods*

**President.** — The next item is the report (Doc. 1-187/81) by Mr Janssen van Raay, on behalf of the Committee on Transport, on the

amended proposal from the Commission to the Council (Doc. 1-812/80) for a regulation on a system for observing the markets for the carriage of goods by rail, road and inland waterway between Member States.

I call the rapporteur.

**Mr Janssen van Raay, rapporteur.** — *(NL)* Mr President, ladies and gentlemen, in this House we often spend hours discussing exciting matters, like the bombardment of nuclear power-stations yesterday evening and other things of that nature, which do not have a direct connection with the Community market. I find it a pleasant change to be discussing subjects that directly concern the Community market, such as this report. When, on top of that, the subject is one of our hobbies and comes under one of the most important titles of the EEC Treaty, transport, I am happy to be able to speak to it very briefly.

You have often heard the Committee on Transport say it feels transport in Europe is treated like a poor relation. It is therefore important that a further means should now be created to help the Commission to map out and implement the common transport policy. What is involved? I shall not enumerate all the objectives of the Treaty, just two important ones — fair competition and ensuring the welfare of everyone involved in the transport sector. It is clear that in one respect the transport market is a failure. We have too little access to important statistics on all the countries, based on a common system as regards costs, prices and

<sup>1</sup> The rapporteur spoke in favour of Amendment No 1 and against Amendments Nos 2, 3 and 4.

**van Raay**

so on. We therefore consider it especially important that the Commission has proposed a particularly practical and particularly low-cost instrument to enable a little more progress to be made with the common transport policy.

I join with Mr Hoffmann in hoping that, if we offer the Commission an instrument of this kind, it will also use it with great conviction in its renewed efforts to persuade the Council to adopt a common transport policy at long last. This is a further stepping-stone we are offering you, on your own proposal, so that a little more progress can be made with the common transport policy.

As the Commission knows, the Committee on Transport has repeatedly called for sea and air transport also to be included. This is not the first time that we have used a report to bring this to Parliament's and the Commission's attention. Here again, you see an urgent request from our Committee on Transport for the statistics to be extended to include sea and air transport. The committee would like to see these important transport sectors included in the general picture, and that is a desire I should like to stress once again on this occasion.

**President.** — I call the European Democratic Group.

**Mr Moreland.** — Mr President, to many of us the name of Mr Janssen van Raay on a report is in itself enough to command our support. We have seen him in many guises — as a legal expert, a transport expert, an expert on the docks of Rotterdam — and today he is our statistical expert; today he excels as usual, and I hope that the House will support his report.

I want to emphasize that we particularly welcome the call in paragraph 2 that this be extended to sea and air traffic, because many of us on the committee are getting a little tired of the Commission's continually telling us on a number of items how difficult it is to extend the provisions to sea and air traffic. If we are to talk about transport and to collect information on transport, we have to include all modes of transport in the Community and not certain modes only. I hope, therefore, that the Commission will respond to our proposal in paragraph 2.

As regards the Commission's proposal, our main reservation is, perhaps, the inevitable one that when we talk about actual developments in transport in the Community, we far too often talk about approving more studies and not enough about action. I suspect that the Commission itself would, to some extent, agree with me on this. At all events, one would certainly like to see more action than study.

Secondly, Mr President, we note that 800 000 units of account is rather a lot of money to spend on a statist-

ical study. We are not really in a position to judge whether that should be 500 000, 600 000, 800 000 or a million. It may or may not be the right amount. But we would have wished the Commission to have given us some more detailed accounting justification for this. Obviously, in the future we shall want to balance the cost against the result. But this is perhaps a minor quibble. We certainly support this resolution today. We hope that the Parliament will support our amendments, but above all we should like to praise the work done over the last few months on this by Mr van Raay, who has produced a very clear and concise resolution and report.

**President.** — I call the Commission.

**Mr Narjes, Member of the Commission.** — (DE) Mr President, the Commission welcomes the report and thanks the rapporteur for his excellent work. I might add that I associate myself with the displeasure expressed here on various sides at the many years that have been wasted without a transport policy being established. No one who regards European integration as a serious task, as the Commission does, can be happy with this situation.

I would add that this summer's economic crisis should prompt all the specialized bodies concerned, including the Ministers responsible for transport policy, to reconsider their attitude, which has hitherto tended to be negative, and to work out how far the infrastructure yet to be installed might help to ensure that the advantages of the internal European market are fully exploited.

The Commission's and Parliament's views on the importance and usefulness of the system proposed here are identical. The Commission welcomes the view that an annual outlay of 800 000 EUA is justified. The system will make a genuine contribution towards rationalizing transport, and the amendments proposed by the committee pursuant to Article 149 are acceptable to the Commission.

The extension of the system to air and sea traffic within the Community would seem to be a logical step, but the Commission would first like to establish whether the system can in fact produce the results we need in its present form.

The Commission's services have encountered practical difficulties in the past when attempting to find out how many bankruptcies there have been in the transport sector. However, other parts of the system will provide important information on employment trends, the liquidity situation and investment plans and decisions. These data, which are essential for the financial and social stability of the transport sector, can be regarded as adequate.

**Narjes**

The Commission would therefore like to thank the rapporteur once again.

**President.** — The debate is closed. We proceed to the vote.

*Proposal for a Regulation, Article 2 (1): Amendment No 4*

**Mr Janssen van Raay, rapporteur.** — (NL) Although I sympathize with the argument that costs must be kept down, I find the proposed text superfluous. The committee is therefore opposed to the amendment.<sup>1</sup>

(...)

(Parliament adopted the resolution)<sup>2</sup>

#### 8. Relations with third countries in the field of transport

**President.** — The next item is the report (Doc. 1-183/81) by Mr Travaglini, on behalf of the Committee on Transport, on the

proposal from the Commission to the Council (Doc. 1-849/80) for a decision setting up an information and consultation procedure for relations and agreements with third countries in the field of transport by rail, road and inland waterway.

I call the rapporteur.

**Mr Travaglini, rapporteur.** — (IT) Mr President, ladies and gentlemen, the Commission's proposal to the Council concerning a decision instituting an information and consultation procedure regarding relations and agreements with third countries in the field of transport was almost unanimously approved in this Parliament's Committee on Transport, on whose behalf I present the motion for a resolution we have now to examine.

As far back as 1962, with a decision by the Council on a proposal by the Commission, a preliminary consultation procedure was established between the Member States in the field of transport; this was amplified in 1978 with a new decision having largely to do with infrastructures. The most important aspect of this decision was the founding of the Committee on Transport Infrastructures.

Concerning transport relations with third countries, decisions were adopted in 1977 and in 1979 for the sectors of maritime transport and air navigation,

though these decisions did not include preventative powers for the consultations provided for.

The decision which is now being proposed completes this informational picture, extending the consultation procedure to include transport by road, rail and water. In some Community countries, the preventative nature of consultation has given rise to some perplexity, owing to the fact that the process of Community integration is not yet sufficiently advanced in the transport sector. It is held in particular that, for transport by road, this procedure of preventative consultation, while counter-acted by the two previous decisions on maritime transport and air navigation, could pave the way for a replacement of bilateral agreements on contingencies by a Community definition of such contingencies. The present bilateral agreements may not be in conformity with the interests of countries which are now encountering difficulties in maintaining their competitive ability.

Considerations of this nature were influential on various other occasions — the control of air traffic, the integration of rail companies, the definition of maximum weights for vehicles, etc. — and the Community has made appreciable efforts to overcome them. It is true, however, that up to the present only modest results have been obtained in the process of harmonization and integration in a sector so important to Community organization. Nevertheless, the policy on transport is of fundamental importance in assuring the progress of the economic integration of Europe and is explicitly recognized as such in the Treaties.

Although I am fully aware of the complexity of the subject and of the objective difficulties which exist in the definition of agreements on the most vital aspects of transport harmonization, I feel obliged to emphasize that Parliament should take this opportunity to urge the Council to support Community transport policy more consistently than in the past. We must recognize that the Commission and the Committee on Transport of this Parliament have over the last two or three years made a considerable effort which has raised some hopes for the future, but it is impossible not to point out that this effort has not yet found an echo in the behaviour of the Member States and especially in that of the Council, which adopts decisions only on transport problems of limited scope and then deals with the most important problems slowly and with excessive caution.

I refer above all to the regulation on financial support for infrastructures of Community interest. The relevant proposal was submitted by the Commission in 1976, and its approval is indispensable for an incisive, organic and rapid process of rationalization and strengthening of the entire Community transport network — a factor essential to its economic development. The Community cannot limit itself to consultations and requests for information; it must be the true protagonist in the process of harmonizing and improving the Community's transport systems.

<sup>1</sup> The rapporteur also spoke in favour of Amendments Nos 2 and 3 and against Amendment No 1.

<sup>2</sup> For motions entered in the register provided for in Rule 49, see the Minutes of Proceedings of this sitting.

**Travaglini**

Mr President, in an earlier sitting this Assembly approved some important proposals by the Commission in the field of transport. Others are under discussion today, and in this way Community action can be intensified. Among these is the proposal I have presented on behalf of the Committee on Transport, and I recommend that it be approved for the reasons I have set forth.

**President.** — I call the European Democratic Group.

**Mr Cottrell.** — Mr President, once again the House, as the candle gutters out late on a Friday morning, decides to discuss transport matters. The rapporteur has, I think, clearly stated the views which are supported by every member of the Committee on Transport of this Parliament, namely that the progress which we have achieved so far towards a common transport policy is wholly unsatisfactory. May I observe in passing that it seems unfortunate that we do not have the Commissioner for Transport with us this morning, where he could hear our advice to him directly in this matter.

My Group, the European Democratic Group, finds itself totally in support of Mr Travaglini on the need for a Community standpoint in relations with third countries in transport matters. At the same time, we strongly deplore — and we cannot use the term too strongly — the lack of progress towards a meaningful common policy. While we welcome measures which may facilitate the freer movement of goods, we deplore the barriers which still exist. We deplore the paper-chases which continue to cause barriers at Community frontiers between our partner States and also between those third countries which are crucial to the development of a European framework for a transport policy in general. It is only if we have this common transport policy that we can make any real progress in building a comprehensive European transport infrastructure network. I would say that it would be very useful, for example, for Denmark and the United Kingdom to be made aware of what agreements are being made between our continental partners and third countries. There seems to be a lack of clarity in this area at the moment.

I would especially like to thank the rapporteur for drawing the Commission's attention once again to the recommendations made in my own report on relations between the Community and Greece in the field of transport, which the House was good enough to adopt just before Christmas. As the rapporteur says, a common approach is of particular importance in dealing with Austria, Switzerland and Yugoslavia in order to improve transport communications with Greece and the growing Middle East market beyond. Unless this is done, unless there is an incentive from the Commission, through the Council and with the support of Parliament, to achieve this within the framework of a genuine common transport policy,

then I feel that the measures will be somewhat muted. I do not think, Mr President, that we can continue with the Commission's present plan, which is to move towards the achievement of a common transport policy by little steps here and there.

The final result of such a policy is that we have nothing at all.

**President.** — I call the Liberal and Allies Group.

**Mrs von Alemann.** (DE) Mr President, my Group, the Liberal and Democratic Group, approves the motion for a resolution submitted by Mr Travaglini. We see in this proposal a means of achieving greater transparency in the common transport policy.

Despite this general approval, we would point out that the disclosure of sensitive negotiations before an agreement is concluded may in certain cases weaken the position of a Member State *vis-à-vis* a third country and jeopardize the objects of those negotiations. We therefore advocate, first, that the attempt be made to introduce a procedure similar to that decided on for sea and air transport; secondly, that it be ensured that this procedure affects all the Member States in the same way and, thirdly, that efforts be made to include in the proposal the external relations for which the Commission is responsible. We shall vote for the motion for a resolution.

**President.** — I call Mr Markozanis.

**Mr Markozanis.** — (GR) Mr President, I should like to say a few words about the splendid report by Mr Travaglini.

In our opinion, the procedure which will have to be laid down will not have to be very different from that prescribed for transport by air and sea. It will have to be a procedure which must not make negotiations and agreements with third countries difficult, especially when it is a question of applying and administering existing agreements, and this happens in the sector of road and rail transport. And the opportunity is often granted to discuss protocols which supplement or modify these agreements.

There would be no point in introducing machinery to make the negotiating position of the Member States more difficult. So the process of consultation must come after negotiations have been completed, and must concern exclusively and solely the provisions which deviate from the principles of the common policy on land transport.

**President.** — I call the Commission.



**Mr Narjes, Member of the Commission.** — (DE) Mr President, I should like to begin by complimenting the rapporteur, Mr Travaglini, and the committee on this report and, above all, the motion for a resolution. The report reflects a desire long cherished by Parliament for the achievement of a measure of coherence in the positions of the Member States in their relations and agreements with third countries. This desire would not be fulfilled if we generally enforced what the last speaker had to say. Notification after the event would be the opposite of what we intend.

I also feel there are adequate guarantees against the abuse of confidential information, something Mrs von Alemann is afraid of. The Commission takes the view that it will have in this report a solid basis for the discussions it must hold with the Council on this subject, and I can only hope, Mr President, that the House will unanimously adopt the motion for a resolution, so that the Commission's position in its dealings with the Council will be strengthened by the weight of Parliament.

**President.** — The debate is closed. We proceed to the vote.

(...)

(Parliament adopted the resolution)

#### 9. Relations with Austria in the transport sector

**President.** — The next item is the report by Mr Helms, on behalf of the Committee on Transport, on relations with Austria in the transport sector, in particular a Community financial contribution to the building of a motorway (Doc. 1-186/81).

I call the rapporteur.

**Mr Helms, rapporteur.** — (DE) Mr President, ladies and gentlemen, I think it is a good thing that this report is being discussed in this group of debates on transport matters. Previous speakers have referred to many of the principles in their statements on the report by Mr Travaglini. Knowing that many Members have put down their names to speak in this debate, I can perhaps concentrate on the basic principles underlying this report and make a few comments to highlight its significance.

As I and many members of the Committee on Budgets see it, the significance of this report perhaps lies in the fact that the European Parliament is for the first time discussing a proposal from the Commission which provides for financial contributions to be spent and used for a third country. I should like to stress this and point out, as the motion for a resolution also says, that

the views expressed here have the unanimous support of the Committee on Transport and of the committee asked for its opinion, the Committee on Budgets. This matter will take the form of the Commission offering a financial contribution under the negotiating mandate it must receive from the Council. I consider this to be an extremely important point. Years of discussion on the question of transport infrastructures in the Alpine region have thus produced, in my opinion, a very positive result.

I must emphasize on behalf of the Committee on Transport that the report and the Commission's proposal can hardly be improved on, since hardly any additions are needed, unless it be to complete or update the figures. On the committee's behalf, I should also like to thank the Commission for its helpful cooperation. Commissioner Contogeorgis himself took the opportunity to explain the Commission's position to the committee once again at a time convenient to us. The Commission is often criticized. I should like to take this opportunity to praise the Commission for its work and express my support for this report. I believe I can say this on behalf of the whole committee.

I should like to refer to another aspect of the report, the position of our neighbour, Austria. As you know, these negotiations and talks have been going on for years. After I had been appointed as the committee's rapporteur, I was able to inspect the whole length of the Pyhrn motorway, which forms the subject of the report, from Spielberg, on the Yugoslav frontier, to the Austrian frontier. I wish to stress that the data and information provided by the Austrian authorities were correct in every way. I must also praise the position adopted by the Austrians in the talks I had, because Vienna repeatedly emphasized that it intended to seek joint solutions in a European spirit to this and, of course, other European transport questions of general interest. I have made a special reference to this in paragraphs 7 and 4 of my motion for a resolution, and it was agreed in committee that we must, of course discuss the solution of all the other major transport problems — by which I mean road transport problems — with the Austrian authorities. Where difficulties have arisen, they have been due to the absence of a common transport policy in the Community, making it hard to reach agreement on certain questions.

Finally, I should like to refer briefly to the amendments that have been tabled. We of the Committee on Transport agreed not to table any amendments, because all the positions of principle have been included in a balanced form. In line with the discussions in committee, therefore, I regret that I must recommend the House to reject the amendments tabled by Mr Moreland. His amendment No 1 is undoubtedly worth thinking about, but amendments Nos 2 and 3 differ substantially from the committee's opinion. I feel that we have in any case essentially referred to these matters in our resolution. We should

### Helms

not at any rate present them in this form and not recommend, as Amendment No 2 does, that there be no offer of a financial contribution, because then there would be absolutely no point in continuing the talks.

We have just heard from a speaker on behalf of your group how important the transport link with Greece is. The adoption of this amendment would be an affront to Greece in some ways. We should bear that in mind.

I recommend the House to adopt Mr Cecovini's Amendment No 4. This subject is also covered by the motion for a resolution. I would point out that we adopted a resolution on this last year: we should make a reference to last year's resolution, and I am in favour of the adoption of this amendment.

I request an addition to the wording, Mr President. It should read: 'in the European Parliament's resolution.' I ask the author of the amendment to agree to the insertion of the words 'European Parliament' at the appropriate place.

I should like to thank you for your attention. This motion for a resolution is designed to help regulate the European transport policy; but it will be of value only if the Council at last takes action, and I call on the Council to do so.

**President.** — I call the Socialist Group.

**Mr Gabert.** (*DE*) — Mr President, ladies and gentlemen, all I really need to do is recommend you to adopt the very thorough and excellent report drawn up by Mr Helms. I shall be brief, because I feel there is little more to say after the many debates in this House on transit matters and the burden on Austria; but I should like to say one thing to the Commission, and I believe, Commissioner Narjes, that, if you have been listening carefully, you will have noticed our repeatedly saying in the House in no uncertain terms that progress is not being made with the transport policy because the Council will not take a decision.

(*Applause*)

The same is true of this very important question of transit through Austria, a subject of major importance in transport and national economic policy terms. What the Commission has proposed and has long since had Parliament's approval still awaits a decision from the Council. I would almost call it a Council for the prevention of European development.

(*Applause*)

Something must be done about this, because all our efforts are simply doomed to failure if we go on like this.

We all know that its very geographical position means that Austria is bound to be a transit country, because of the Alps on the one hand and all the north-south traffic on the other. Hence its importance for Italy, a Member State of the Community, and also for east-west traffic — that is to say, all the traffic heading for the Middle East through Greece. All this traffic simply has to pass through Austria, and a country with a population of 7 million cannot be expected to foot the whole bill for the development of these important transport routes. This has been said in this House on a number of occasions, and it bears repeating.

After the long talks between representatives of the Commission and the Austrian Government — they have been going on for more than four years now — there is little confidence left in Vienna that the European Community — not Parliament or the Commission — is capable of taking such important decisions. This decision really serves as a model, for if we intend to pursue a transport policy in the Community, we must also see things in relation to one another. I can only hope that, once Parliament has taken its decision, the Council will at last take action.

Ladies and gentlemen, I urge you to adopt this resolution, if possible unanimously — as was the case in the Committee on Transport — because it is very important for Europe's transport policy.

### IN THE CHAIR: MR PFLIMLIN

#### *Vice-President*

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

**Mr Fuchs.** — (*DE*) Mr President, I should like to begin by thanking the rapporteur, Mr Helms, for this precise, incisive and convincing report and above all for taking the trouble to find out for himself, so that he could really make an objective appraisal of the situation.

As I live on this route in Germany, perhaps I might add a few words to the explanatory statement. I know that the statistics published by the Commission on transit traffic are correct, but these figures fail to reveal the fate of many human beings, because this route is the eye of a needle, and, if I may put it this way, a collapse, a kind of transport cardiac arrest, is always imminent. I know that in percentage terms far more fatal accidents occur on this Innkreis-Pyhrn route than on other major sections. I consider it only just, in view of the burden the heavy Community transit traffic represents for Austria, that the

**Fuchs**

Community should make an appropriate financial contribution. I must also point out that the accession of Greece to the Community will lead to a further substantial increase in this burden. During the negotiations with Greece on accession, the Community stipulated that there should be no restrictions on road transport passing through the transit countries; but there is a danger that that is precisely what will happen if this motorway route is not improved soon.

I agree with Mr Gabert that the reputation of the European Community is really at stake here. We have been negotiating since 1976. Parliament has expressed its approval. A decision must now be taken. But I would point out that the conclusion to be drawn from this for the transport policy of the European Community as a whole is that a plan for Europe's transport infrastructure really must be put forward to enable us to act consistently.

In my view, the other issues must, of course, be discussed with the Republic of Austria, but I would add quite explicitly that for both the European Community and Austria the construction of this route is so urgent that there must be no question of saying the financial contribution will not be made until the whole package has been tied up and adopted. That would not, in my view, be an objective decision.

To conclude, I should like to say that the Federal Republic of Germany must also take action, because on this tremendously long route — from the Channel *via* Brussels, Cologne, Frankfurt and Nuremberg to the Austrian frontier near Passau and over the Pyhrn Pass — there is one short section in the Federal Republic, 23 km in length, which is not of motorway standard. The conclusion the Federal Republic must draw, I feel, is that the closing of this gap must be given top priority in the general improvement of Federal highways in Germany.

I will end by echoing the call for action and by quoting Goethe: 'Der Worte sind genug gewechselt, laßt uns nun endlich Taten sehen — Enough words have been exchanged, let us now at last see deeds!'

**President.** — I call the European Democratic Group.

**Mr Moreland.** — Mr President, there may, in the words of Goethe, have been words enough! I think this is the first time that I have ever made a public speech on a motorway through Austria. Mr Helms has presented an excellent case for Community assistance for this *Autobahn*. It is an essential link between Germany and Italy and particularly between Greece and the rest of the Community. We agree with Mr Helms that this is a project that the Community should support and that it should be part of a Community transport infrastructure programme.

Mr President, I think I have now to come to the stage where I may be regarded as the somewhat unwelcome guest at the wedding. I emphasize that we must see this as part of a Community transport infrastructure programme, for this is a Community project and the case for it stands alongside other infrastructure projects that have been discussed in the past. I would remind my colleagues on the committee and in this Parliament that we emphasized, when we discussed the Channel Tunnel, that Community assistance must come under financial regulations that are not specific to that project but are Community-wide. Indeed, in the case of this *Autobahn*, it might well be seen as nonsense in those parts of the Community far away from Austria to provide assistance for a transport project which is, strictly speaking, outside the Community when no regulation exists to provide for grants within the Community.

Consequently, we endorse the phrase in paragraph 7 of the resolution which urges the Council to pass the financial regulation for a Community transport infrastructure, but we cannot endorse the final phrase, which implies a special regulation for this project, and also we cannot endorse paragraph 16 of the explanatory memorandum. I have to say that in committee paragraph 7 was discussed in connection with oral amendments, and — it may have been interpretation problems or our own fault — our Group would not have voted for this resolution had we known this phrase was included. I have to say that our vote on this resolution is dependent on the acceptance of the amendment. Furthermore, the Commission must ensure that it has made it clear to the Austrian Government that there are obvious difficulties in the provision of a Community grant unless a total Community infrastructure programme is approved.

Mr President, I have spent most of my time talking about the difficulties, and I would not wish to give the false impression that we entirely endorse the project as such. What we are concerned about in this resolution are the financial provisions, and I am tempted to say that, as far as my Group is concerned, we wholeheartedly support the transport infrastructure programme. Indeed, we should like to see this project adopted under such a programme, but we cannot, I think, support a special regulation. We see the need for the motorway, particularly in view of our relationship with Greece, but there are difficulties and the Austrians, I think, must be made aware of the difficulties which the Council is going to have in agreeing on the financial regulations. So I am sorry to sound like the unwelcome guest at the wedding, but I wish to say that we entirely endorse the principle behind Mr Helms' report, but have some doubts about its financial aspects.

**President.** — I call the Liberal and Democratic Group.

**Mr Cecovini.** — (IT) Mr President, ladies and gentlemen, I believe there can be no doubt about the need to speed up and facilitate any project which, by providing Community Europe with an outlet to the south, can ease the pressure on Austria caused by a traffic load which has multiplied by 24 over the last decade and has now reached the danger level.

The Innkreis-Pyhrn Autobahn is intended to solve both these problems, and it is therefore indispensable that the negotiations for financing this project be concluded as soon as possible in accordance with the indications set forth in the excellent Helms report.

The European interest in this transit highway is obvious, and it is therefore obvious that the burden of expenditure cannot be borne by the 7 million Austrians, who benefit from it only in a limited way. The project must involve all of Europe's population of 300 million. We are all agreed on this. The Helms report, moreover, besides inviting the Council to adopt the necessary regulation, also calls upon it to take into account the necessary connections with north-eastern Italy, an aspect which I think it right to underline.

The aid which the Community is prepared to give to Austria and then to Yugoslavia will solve the problem of the expense of construction, but it will contribute neither to maintenance nor to the actual work of construction. Above all, it will not counteract the harm which the realization of this highway will cause in a Member State, Italy, in contradiction to the basic principles of the Community. The border regions of Friuli and Venezia Giulia are particularly affected, for they will eventually be cut off from the European northwest-southeast traffic. Community funding is equally incapable of dealing with the strategic fragility of a stretch of road which is entirely outside the Community.

To solve these problems and confront these dangers, it is necessary to give simultaneous consideration to the other southern route, the Adriatic route, which, already approved by Parliament a year ago in Resolution 90/80, has remained at the stage of a mere declaration of intention. The Commission seems far from ready to recognize its claims to priority.

The Commission cannot wish consciously to provoke damage in a Member State and then try to find remedies for it afterward. It is well to recall that, compared with the Innkreis-Pyhrn motorway, the Adriatic route offers the undoubted advantage of a much shorter ground distance to be covered, all within the Community except for the short Austrian stretch — that is, in a neutral and friendly country — and of an economical water-route which is in international territory and can therefore be freely used. It should also be borne in mind that Greece has contributed to Community Europe the largest mercantile fleet in the Mediterranean, and that the choice of the Adriatic

route will permit this fleet to play an important part. This route does not stop at the doors of the Middle East — as paragraph 11 of the Helms report seems to suggest — but rather extends beyond the Suez Canal.

For all these reasons, the Liberal and Democratic Group, while voting in favour of Community support for the Innkreis-Pyhrn motorway, recommends that Amendment No 4 to Paragraph 7 of the Helms report be adopted at the same time. I naturally agree with Mr Helms's proposal concerning the insertion of the words 'in the European Parliament'.

**President.** — I call Mr Markozanis.

**Mr Markozanis.** — (GR) Mr President, even nowadays road transport constitutes the quickest and, in terms of costs per unit of volume, the cheapest means of transporting high-value industrial products and fresh agricultural produce. Greece does not have common land frontiers with the other countries of the Community. A considerable part of the merchandise transported to and from the European Community goes *via* Austria.

I quote some figures. In 1967, some 2.2 million tonnes of merchandise passed through Austria, and in 1980 this amount increased to 15.3 million tonnes, of which 80% concerned trade with the Community. Moreover, 95% of the workers in the Community who travel south by motor-car go through Austria. Moreover these numbers will increase in future, now that Greece is the tenth member of the Community.

It is therefore in the interests of my country, or, if you like, of this southern region of the Community, to conclude special agreements with Austria in the European Community's road transport sector.

We support the motion for a resolution unreservedly, and in particular the participation of the European Community in the cost of building the Innkreis-Pyhrn motorway, as well as the proposal to take into consideration the necessary connexions with north-east Italy, so that there is easier communication with Trieste. An operation of this kind will contribute to a quicker improvement in the road network linking all the regions of the Community, and will represent a trump-card in negotiations to obtain more favourable terms regarding transit duties and the number of transit permits. However, the proposed agreement benefits the inhabitants of the central and northern regions of the Community no less significantly, for the following reasons:

First, the cost of transporting fresh agricultural produce principally is an important element in the final selling price, in the consumption of these products.

Therefore holding down transport costs will benefit

## Markozanis

consumers of the central and northern regions of Europe. And the benefit of the consumer is surely the supreme aim of every economic endeavour.

Secondly, the volume of my country's imports from the other countries of Europe is three times as great as the volume of our exports to the countries of the Community. Consequently, in terms of the amounts involved, both sides have the same interest, and producers of the central and northern regions of the Community will benefit no less than the producers of the southern regions.

The European Community stands for an idea that is appreciably broader than the narrow economic interests of its Member States.

The Republic of Austria is a country situated in the heart of Europe, and with this action the European Community will present the best possible proof to the Austrian people, as well as to the peoples of the rest of Europe, that its desire is that the wealth of our continent should be shared by all its peoples, who must forget the old differences between them and, united, live in peace with the other peoples of the world.

Finally, Mr President, I emphasize that the future of the European Community and the way out for us from the manifold economic problems that we face lie in the expansion and not the contraction of international trade.

This means that we also must make an attempt to increase our exports to the rest of the world. The countries of the Middle East and North Africa constitute a rapidly expanding market to which we can export more.

Geographically, politically and from the point of view of the infrastructure of sea transport, my country offers itself for the achievement of this aim. However, the route that links the north and central regions of Europe with Greek ports goes through Austria. It is therefore in the interest of all the countries of the Community to vote for the present proposal.

**President.** — I call Mr Nicolaou.

**Mr Nicolaou.** — (GR) The Greek side, Mr President, has had and still has a lot of difficulties with the Austrians over matters of transport. In spite of this, we warmly support the construction of the Innkreis-Pyhrn motorway, because a transport infrastructure project of this kind will have broader positive repercussions on every side, not only on Greece, and apart from anything else will help reduce transport costs.

I shall quote you very briefly a few figures:

As regards commercial exchanges between Greece and the other countries of the EEC, in 1977, some 90.3%

of goods carried by road went through Yugoslavia and Austria, which are transit countries *par excellence* for Greece, but for the other countries as well, and indeed up to the present moment these goods have gone by the so-called 'guest-worker route'. In the 1978, the total volume of commercial exchanges that went by road amounted to nearly one million tonnes, to 950 000 tonnes in fact, which corresponds to 83% of the total of goods transported by land, whereas only 191 000 tonnes of merchandise, or 16.7%, were moved by rail.

A third datum, still according to the Commission's own estimates, is that some 180 000 trucks traverse this road network every year — that is, of course, without taking into account the enormous number of private cars.

Mr President, if we take the view that there will probably be a further increase in the commercial exchanges between Greece and the other Member States of the EEC now that Greece is a full member, it becomes essential for us to build the Innkreis-Pyhrn motorway. If it is founded exclusively on the financial resources of Austria, the work of constructing such a project will be completed eventually — so we have been told officially — after the first decade of the twenty-first century. In order to speed this work up, the financial contribution of the Community is indispensable.

(DE) Allow me to conclude my remarks in German, in honour of the German Commissioner, Mr Narjes. I am firmly convinced, Mr Commissioner, that the argument that Austria is not a member of the EEC and that there cannot, therefore, be any investment in Austria is threadbare . . .

(Applause)

. . . for whether of the EEC or not, Austria is, and continues to be, the transit country *par excellence*. If we contribute to bringing this outstandingly important project into existence, it is not mainly Austria, but the whole of Europe and in particular the countries of the EEC that it will benefit.

**President.** — I call Mr Habsburg.

**Mr Habsburg.** — (DE) Mr President, I should like to thank Mr Helms for the excellent statement that he, a North German, has made about an Alpine and Mediterranean project. I should also like to compliment Mr Nicolaou on his excellent German and congratulate him on his sympathy for Austria as a transit country.

I have asked leave to speak for two reasons, Mr President. First, the importance of this motorway extends well beyond our own territory, whether we are talking about Bavaria, Austria or even the Mediterranean regions. This is the beginning of an artery of first-rank

### Habsburg

importance, and that is something that should always be borne in mind.

Secondly, and here I turn to my personal friend Mr Moreland, I am very sorry to have to tell him that his amendments, and particularly No 3 — unintentionally, I am quite sure — do what the French call *noyer le poisson*, meaning that a feasible demand is linked to a project which is not feasible or at least far off in the future.

I would ask him to reconsider the matter, because it is most certainly not his intention to delay a project we now need after the accession of Greece, so preventing a start from being made even on the preparatory work. To conclude, I would add that there is every justification in our Commission being a full negotiating mandate, because we must not waste any more time in this matter.

**President.** — I call Mr Ripa di Meana.

**Mr Ripa di Meana.** — (*IT*) Mr President, I am also speaking on behalf of Mr Carossino, of the Communist Group, with whom I was privileged to collaborate in the Committee on Transport; he was obliged to leave the Chamber a few moments ago to attend to urgent business.

Our point of view is, briefly, this: the Innkreis-Pyhrn motorway is designed to favour rapid transport between the north and the south-east of Europe. It is of pre-eminent interest to some countries — to Denmark, Germany and the Low Countries — in the great traffic flows toward the Middle East.

We recognize the need for this highway and the primary importance — as Mr Nicolaou pointed out a moment ago — of the Austrian highway system, planted at the heart of Europe and indispensable for Europe as a whole, and we are in favour of action to provide concrete financial support for the rapid realization of this particular highway system.

We are, however, obliged to say that this project, in which we are greatly interested, may, if undertaken without additional appropriate decisions, constitute a threat to the port of Trieste. Further decisions are necessary concerning the highway tunnel at Monte Croce Carnico and doubling of the Udine-Tarvisio railway line, projects already submitted to the attention of the Commission and the Council by this Parliament. It is therefore indispensable that when the first steps concerning the Innkreis-Pyhrn motorway are taken, the need for decisions on Italian problems, is borne in mind.

Community action should certainly take general interests, including those of third countries, into account, but it must at all events be bound by the interests of the Member States, and therefore cannot be satisfied

at the expense of one of these. As you know, certain problems have arisen with Austria: the problem of financing, but also the question of limiting the transit of goods, which must be overcome in the negotiations; there is also the unfair tax levied by the Austrian Government on Community vehicles passing through its territory, and this must be swiftly modified through negotiation as well.

These problems must be faced and resolved in the course of the negotiations which will be opened after our own vote and the Council's decisions. For these reasons, Mr Carassino and I will fully support the amendment presented by Mr Cecovini.

**President.** — I call Mr Seefeld.

**Mr Seefeld,** *chairman of the Committee on Transport.* — (*DE*) Mr President, ladies and gentlemen, at the end of this transport debate, during which four subjects have been discussed, I should first like to thank the four rapporteurs, Mr Key, Mr Janssen van Raay, Mr Travaglini and Mr Helms. They have done good work, and they — or at least three of them — have been thanked for their efforts by the House. The first three motions for resolutions were unanimously adopted, and I should be very happy if the fourth, the report by Mr Helms, which we are now discussing, similarly received the unanimous approval of the House. I am convinced this will be the case.

Ladies and gentlemen, what we are discussing here are transport infrastructure measures. As several Members have said, we of the European Parliament must not only make known our demands through the decisions we take, but also do everything in our power to gain acceptance for those demands. Having debated the Channel Tunnel a month ago and decided that this is a project of European significance we must, if we today decide, as I hope we shall that the Pyhrn motorway is an important project for intra-Community transport, even if it passes through Austria, do everything we can to lend weight to our demands and translate them into reality.

With the Committee on Transport, I am therefore determined — and in this I believe I have the support of all Members — to make it absolutely clear to the Council that decisions now need to be taken particularly in the area of transport infrastructure. If the representatives of the ten Member States which belong to the European Community deem this to be necessary in the European Parliament, our governments cannot and must not go on blocking these decisions.

(*Applause*)

I should therefore like to say once again how disappointed I was, for example, that a meeting of the Council of Transport Ministers scheduled for

## Seefeld

yesterday was cancelled at short notice. I said to the press what had to be said, that the Transport Ministers of the ten Community countries are unfortunately incapable of implementing a Community policy which is so urgently needed. They must be criticized in particular for quite obviously allowing national interests to stand in the way of reason.

I was therefore pleased, Commissioner Narjes, to hear you speaking today in so impressive a manner, as you have done on other occasions, of the Commission's willingness to take strong action in various areas. Keep up the good work! You have not been in office long, but you have been familiar with European politics for a very long time. I can only hope, in fact, that with your help it will be possible to achieve what the Commissioner responsible considers right. As the Commission is a collective body, as was made very clear to us recently, what you have to say will play an important part.

The Austrian Foreign Minister stated last year that his country must seriously consider whether it can continue to play the role of transit country No 1 in the European Community's road transport operations. The figures completely justify Austria's doubts in this respect. Every year 14m tonnes of goods pass over Austria's roads in transit, as against a mere 12m tonnes in the Federal Republic of Germany, which is many times larger than Austria. It is estimated that only 0.4m tonnes pass through Switzerland, which is about the same size as Austria.

These figures can only make us stop and think, especially as 95% of the goods passing through Austria are either coming from or going to Community countries. There is real justification in asking whether this small country should, and can, do so much for the European Community. For transport to and from Italy and for transport to and from Greece, ladies and gentlemen, we still need Austria.

Holiday-makers, foreign workers visiting their homes and large numbers of goods vehicles will continue to use Austrian roads in the future and, unfortunate though it may be, there is unlikely to be a shift in transport from the roads to the railways in the foreseeable future. It therefore seems right for the Austrians to make their demands known to the public and to us. I have myself had an opportunity to discuss this question at some considerable length with Austria's Transport and Public Works Ministers. Mr Helms has also been on a fact-finding mission.

To summarize, I would therefore say that, although it does not belong to the European Community, Austria is an important factor in the European Community's transport operations. As a result of the accession of Greece, the Community's relations with Austria in the transport sector have assumed a particular importance, as Mr Helms says in his explanatory statement, and as European politicians specializing in transport ques-

tions, we recommend you to approve this report. I call on you to strengthen the Commission's position in its negotiations with an unequivocal vote and to help us, for example, to say at the very next discussions the Committee on Transport will be having with the British Transport Minister, who will be taking over the Presidency of the Council on 1 July: the European Parliament is united in the conviction that Austria cannot be left to solve its problems by itself. A decision to assist with the construction of the Pyhrn motorway will help to overcome a difficult section in the European transport network, and it is our duty to do everything in our power to ensure that the transport of people and goods in the European Community becomes more fluid. As chairman of the Committee on Transport, I appeal to you to approve this report.

**President.** — I call the Commission.

**Mr Narjes, Member of the Commission.** — (DE) Mr President, on behalf of the Commission I should like to thank the rapporteur for his outstanding report, the committee for its outstanding work and Parliament for this transport debate and the innumerable suggestions it has provided, which I shall waste no time in passing on to my colleague Mr Contogeorgis and the Commission.

Because of its geographical position, a close dialogue between the Community and Austria is essential. We must join with Austria in seeking solutions to the problems raised by the traffic passing through this Alpine country. That goes without saying. One aspect of this is Austria's request for a financial contribution towards the construction of the Innkreis-Pyhrn motorway. Following on from the document which forms the subject of Mr Helms's report, the Commission recently forwarded to the Council a recommendation for a decision opening negotiations between the Community and Austria on transport matters. In this recommendation — and I am now addressing Mr Cecovini and Mr Ripa di Meana in particular — it adopted a balanced approach to all the transport routes concerned. This global approach should make it possible not only to solve the motorway problem facing the Community and Austria but also to bring about closer cooperation on all relevant transport questions in the Alpine region.

Various contacts between my colleagues Mr Haferkamp and Mr Contogeorgis and members of the Austrian Government have revealed that Austria is willing to take part in this dialogue. These contacts have made it clear that Austria attaches fundamental importance to its request for a financial contribution from the Community towards the construction of the Innkreis-Pyhrn motorway. On several occasions the Austrian Minister, Mr Sekanina, emphasized that the burden on its budget of the cost of constructing the transport infrastructures necessitated by its geograph-

Narjes

ical position as a transit country could no longer be borne by Austria alone. If the Community did not come forward with a major financial contribution shortly, the work on the development of the north-west and south-east transit routes would have to stop.

The Commission generally agrees with the resolution tabled by the Committee on Transport, but it would point out to Parliament that the formula referred to in paragraph 7 must be applied flexibly.

I should like to say to Mr Moreland at this juncture that a resolution in favour of the transit route through Austria is not a resolution against the Channel Tunnel or other projects in the north of the Community. I appeal to the British to adopt their well-tryed pragmatic approach and to take a decision on Austria first and then on other projects when the time is ripe.

The Austrian request is, moreover, covered by a proposal put forward by the Commission in 1976 on the introduction of a mechanism for the financial support of certain transport infrastructure projects of Community interest, which was extended to include third countries by a supplementary proposal submitted in 1980. If the outcome of the negotiations with Austria is in the Community's interests, it should be able to enter into definite commitments with regard to Austria's request for a financial contribution. If at that time the necessary general legal framework has not been adopted by the Council, the *ad hoc* option should be left open. Some flexibility in the formula for the Community's legal basis would therefore be appropriate.

To conclude, I should like to thank all concerned, especially Mr Nicolaou and Mr Seefeld, for advocating the broadest possible support for the report and motion for a resolution, because that can only help us.

**President.** — The debate is closed. We proceed to the vote.

*All the amendments*

**Mr Helms, rapporteur.** — (DE) Mr President, I have already stated my views on the amendments. As was decided during the discussions of the Committee on Transport, I recommended the House to reject Amendments Nos 1 to 3 and to adopt Amendment No 4, incorporating the change I have proposed.

(. . .)

**President.** — I can now give the floor for explanations of vote.

**Mr Tyrrell.** — Mr President, Mr Nicolaou described

Austria as a transit country *par excellence*. Well, let me tell him and others who do not know that there is one country that cannot use Austria as a transit country *par excellence* and that, of course, is the United Kingdom. This is not because we have no lorries or drivers or goods that want to go there, it is because the Federal Republic of Germany will not give us permits to cross Germany and we cannot get into Austria unless we cross Germany, unless, of course, we cross France and Italy, but the Republic of France will not give us permits either, not even transport permits: not even if we use a French driver and a French tractor to tow our trailer can we get a French permit. Now, I am not saying we cannot get any permits; what I am saying is that the number of permits issued by France and Germany is so pitifully few compared with the demand that our drivers cannot get into Austria.

There is a formidable case made for this motorway. I wish it well. I look forward to its being built, but what I do ask for is an assurance that it is going to be available to every Community taxpayer who is being asked to pay for it.

**Mr Moreland.** — Mr President, my reasons for being against this resolution are not, I should emphasize, related to the merits or demerits of the project. They are basically related to the suggestion of a special regulation. I would make it clear to the Commissioner that we were in no way suggesting that a vote for paragraph 7 was a vote against other Community projects. I think it has to be said, and said quite bluntly, that two of the three governments most interested in this motorway are two of the governments most fundamentally opposed to a Community transport infrastructure project. I think there is here a case, as we say in English, of trying to have your cake and eat it: in other words, we cannot, I think, approve this as a special regulation. I suspect that that is the view of quite a number of Member States, so I am only trying to inject a little realism. I emphasize that we support the basic project and we see all the reasons for it have been emphasized; but that we should not, I think, mislead the Austrians in the negotiations that are taking place.

*(Parliament adopted the resolution)*

#### 10. Protection against microwave radiation

**President.** — The next item is the report by Mr Ghergo, on behalf of the Committee on the Environment, Public Health and Consumer Protection (Doc. 1-838/80), on

the proposal from the Commission to the Council (Doc. 1-323/80) for a directive laying down basic standards



## President

for the health protection of workers and the general public against the dangers of microwave radiation.

I call the rapporteur.

**Mr Ghergo, rapporteur.** — (IT) Mr President, ladies and gentlemen, at its sitting of 9 May 1973, the European Parliament approved a resolution in which the Commission was called upon to draw up regulations for health protection against hazards deriving from exposure to microwave radiation. The Commission, heeding this appeal, produced the draft directive which we are now examining.

The regulatory situation varies widely from country to country as regards not only the maximum levels permitted but also the criteria employed (units of measure, standard levels or variability in respect to the duration of exposure, characteristics of the field of radiation, distance from the source, different levels for the general public and for those exposed to particular risk, etc.).

As we know, 'microwaves' are defined as electromagnetic radiation within the frequency range 300 MHz and 300 GHz (that is, between 300 million and 300 000 million Hertz), which occupy a position between infra-red rays and radio waves in the radiation spectrum. Microwaves have many applications, which can be broadly divided into military and civilian; the latter can be further sub-divided into industrial uses, applications in the telecommunications sector, household applications, and medicine. The biological effects may consist in lesions to the more sensitive organs and tissues such as the eyes, the nervous system, the cardiovascular system, the haemopoietic and immunological systems and the reproductive organs. The action of microwaves consists in the stimulation of molecules, producing oscillation, transfer and rotation of the electron, and hence the generation of a certain amount of heat.

The damages to health caused by exposure to microwaves have been extensively studied both in experimental research and in epidemiological surveys carried out on persons exposed at work or for military purposes. At present, at least in the countries of the Community, the harmful effect of microwaves has been observed primarily in subjects exposed to radiation at work (technicians and others employed at plants and generators, etc., workers in specific industries and medical personnel); nevertheless, it is assumed that in the near future, as has already occurred in Japan and in the United States, microwaves will be used in household activities, and the risk of exposure will thereby be extended to the general population.

We know that there is an unavoidable lapse of time between the approval of a directive by the Council and its implementation in the Member States. In this case,

perhaps for the first time, we have the opportunity to introduce safety standards before harmful effects become widespread.

For these reasons, the Commission's proposal to issue a directive laying down Community standards for the health protection of both workers and of the general public against the dangers of microwaves should be fully approved.

A more complex problem is that concerning the limits to be adopted for microwave exposure. At the present state of our knowledge it is difficult to establish definitive and universally acceptable criteria for these limits: those indicated in the directive proposed by the Commission are analogous to the limits laid down in regulations in force in the US, but they are much higher than those set in the Soviet Union and in other East-bloc countries.

A rational solution of the problem is made more difficult by the characteristics of the human body, which has an irregular surface and therefore presents differences in microwave absorption rates from one part to another; moreover, there are variations in individual sensitivity, and this makes it more difficult to adopt limits that can be applied to all those exposed to microwave radiation.

The studies carried out in various countries have not yet yielded incontestable results regarding the definition of exposure limits, in part because of the different approaches used. The standards in force in the United States and in the majority of other countries are based on the amount of exogenic heat which the human body can tolerate without body temperature rising. On the other hand, the maximum levels accepted in the USSR are based on the asthenic syndrome observable in workers exposed to microwaves, and therefore on exclusively subjective effects.

It is, however, a fact that Soviet and American researchers have reached an agreement to adopt a single system of experimentation so that the results may be profitably compared.

From a general point of view, the limitation figure of 10 mW/cm<sup>2</sup> mentioned in the Commission's proposal seems to provide a sufficient guarantee of safety considering that, on the basis of the scientific research accomplished up to the present time, there has been no certain demonstration that irreversible damage in the human body results from exposure to levels inferior or even equal to 10 mW/cm<sup>2</sup>.

The biological effects also obviously depend on the duration of the exposure and on the technical characteristics of the source emitting the microwaves, but the precise determination of these relationships demands further and more extensive research.

For such reasons, the figures proposed by the

**Ghergo**

Commission can be accepted provisionally and with the explicit understanding that they are to be reviewed within two years of the acceptance of the proposal. For this purpose, and respecting the same deadline, the Commission must present Parliament with a progress report on the implementation of the directive itself and submit proposals for a review of the limits if necessary. For such a review, use can be made not only of the studies and research being carried on in various countries but also of the results of the long-term research programme in this sector, the application of which, it is recommended, should be analogous to that which has already taken place in the case of ionizing radiation.

Finally, an appeal to the Commission was inserted in the motion for a resolution now submitted to Parliament to the effect that an immediate study be made of the problems relative to health protection posed by other types of electromagnetic radiation. Radiowaves and lasers are particularly mentioned, for their radiation levels are already high and are tending to increase substantially.

Specific, separate directives for each category of radiation should be proposed as soon as possible, similarly to what has already been done for ionizing radiation and microwaves and according to the procedure followed in the case of other harmful substances.

Mr President, ladies and gentlemen, with the modifications I have briefly illustrated, as rapporteur for the Committee on the Environment and in the name of my political group I recommend the approval of the directive under examination, which represents an important step forward in the protection of workers and the population as a whole against environmental hazards and harmful substances.

I thank you for your attention, particularly in view of the lateness of the hour and the fact that we are at the end of a week of very hard work.

**President.** — I call the Socialist Group.

**Mr Coutsocheras.** — (GR) Mr President, the report by Mr Ghergo on the protection of workers' and the public's health against the dangers of microwave radiation touches upon a very serious subject, because, with the galloping development of modern technology, the factors that endanger the health of workers and of the public in general increase proportionately. There is also no disputing the fact that electronic pollution, which already constitutes a disquieting phenomenon in the USA, has begun to invade Europe as well. We make the additional point that the problem of ordinary dangers that threaten the health of workers every day must be discussed more often and more intensively. We refer to the exceptionally unhealthy conditions that prevail in mines, in

heavy industry and so forth, which concern a large number of workers. Moreover, a very large proportion of the workers employed in particularly heavy and unhealthy jobs is made up of emigrant workers who come from countries of the Mediterranean south.

We Greek Socialists take the view that the protection of the health of workers and the public is an imperative obligation of every State, and every omission on the subject is a proof of unplanned social policy and indifference at the expense of the health of workers.

We take this opportunity of remarking that in Greece, too, there is not the appropriate legal framework in this sphere, and so far governmental policy does not guarantee the protection of workers' health.

PASOK, Mr President, ladies and gentlemen, seeks a more concrete realization of measures for a substantial protection of workers at their place of work.

**President.** — I call the Group for the Technical Coordination and Defence of Independent Groups and Members.

**Mrs Hammerich.** — (DA) Mr President, microwaves, these waves with short wavelengths, have the special characteristic of being able to heat up a material all over at one stroke, in contrast to traditional sources of heat, which warm an object from the outside inwards to the centre. This special property makes microwaves very dangerous for human beings. They can heat up the internal organs in a moment without one's being aware of it. The eyes are particularly vulnerable. Microwaves can cause cataracts. The sex organs are also at risk — they can cause sterility, damage to the foetus, congenital deformities. Children may be born mongols. They can cause stillbirths or low birth-weights. They can also cause permanent damage to the heart, and the risks are greater in the case of women who use the coil and people fitted with pacemakers.

Microwaves are used in so many fields in industry, the chemical industry, medicine, telecommunications, radar, etc. and in microwave ovens in restaurants. There is therefore every conceivable reason for protecting people from these risks, but once again we find that the European Community is not such a good instrument for getting working conditions improved, because the upper limits proposed by the Commission are very high. They are 10 — I repeat, 10 — times as high as those permitted in Denmark on the Swedish model and 100 times as high as the limits applied in the Soviet Union, for example. One might wonder who these Community rules are intended to protect, the workers or the multinationals. Moreover, the proposal has an escape clause which provides for the use of protective clothing if the radiation is too high. But the eyes, for example, cannot be protected, because the protective device must contain metal.

**Hammerich**

We cannot support the Commission's proposal for two reasons. Firstly, Denmark can be forced to introduce rules setting a ceiling 10 times higher than that which applies under our present rules. Secondly, the proposal represents a threat to health. It is suspected that very serious damage to health can be caused by much smaller doses than those proposed.

**President.** — I call the Commission.

**Mr Narjes, Member of the Commission.** — (DE) Mr President, the Commission would first like to thank the rapporteur for the trouble he has taken and for considering this subject with such care and sense of responsibility. It thanks the Committee on the Environment, Public Health and Consumer Protection for this balanced report and in particular the committee chairman, Mr Collins, for the authority with which he has conducted the discussions.

The directive proposed here aims at a uniform level of protection against the dangers of microwaves to which work-places and individuals are exposed in all the Member States of the Community. It is largely preventive in nature. The proposal is based on the experience gained in the Community in the allied area of protection against the dangers of ionizing radiation and in particular the Council directive establishing basic standards for the protection of the health of the public and workers against the dangers of ionizing radiation. The principles laid down in the proposed directive on protecting the public and workers against the possible dangers of equipment generating microwaves were established after careful and detailed consultations with experts from the Member States and with account taken of a critical analysis of the present state of affairs. In taking this initiative the Commission is thus complying with a request from the European Parliament and the Economic and Social Committee.

The Commission is aware that stricter standards have been adopted in some countries outside the European Community; but after careful scientific consultations, it considered it advisable to adopt a cautious, responsible approach. The thermal effects and those inducing cataracts, for example, are well known and have been taken as a basis for the limit values adopted in this proposal for a directive. Although there are other effects, little of scientific value is known about them yet, and it is difficult to decide beforehand whether they represent a danger and, if so, to what extent. The Commission will monitor the development of scientific and technical knowledge with a view to reviewing the limit values that have been set for exposures and revising them where necessary.

The Commission also intends to draw up proposals for directives on protecting the public and workers against the dangers of other non-ionizing radiation, including

in particular laser rays, ultraviolet rays and infra-red rays.

To conclude, I should like to thank the rapporteur, Mr Ghergo, once again. He has shown every sympathy for the Commission's concern, and in his document he has made some very constructive suggestions, which will be taken into account in our further deliberations where possible.

I should like, Mr President, to refer briefly to the five amendments. Amendment No 2 is essentially a comment. Amendment No 3 is a constructive proposal, as is Amendment No 4. Amendments Nos 1 and 5, however, are to some extent mutually exclusive. The Commission considers Mr Sassano's Amendment No 5 to be the more appropriate, since it is impossible to reconcile Amendment No 1 with the probable development of scientific knowledge.

**President.** — The debate is closed. We proceed to the vote.

(...)

*Paragraph 2: Amendments Nos 1, 5 and 2*

**Mr Ghergo, rapporteur.** — (IT) I am against Amendment No 1, because in paragraph 2 the review of these limits is provided for after two years: if necessary, they will be modified. The amendment seeks to eliminate the words "if necessary," which would evidently make a change obligatory, even if it were not in fact necessary.

I am also against Amendment No 5 on the same subject, because it seeks to indicate the types of research and methodologies to be employed. These will be determined by the body I recommend in my proposal. Therefore I am against Amendments Nos 1 and 5.

(...)

*After paragraph 5: Amendment No 4*

**Mr Ghergo, rapporteur.** — (IT) Mr President, I think there is some confusion, because Mrs Squarcialupi asks the Commission to present a directive concerning radio waves. Paragraph 6 of my report 'recommends that the Commission give urgent consideration to problems relative to health protection involving the other non-ionizing electromagnetic radiations, radio-waves and lasers'. My text is more complete, and I do

**Ghergo**

not understand what my colleague intends with this amendment. For this reason I am against it.<sup>1</sup>

*(Parliament adopted the resolution)*

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

**Mr Adam.** — I am pleased that you are in the Chair, Mr President, because I want to draw your attention to the fact that it is no longer possible to get any English newspapers downstairs. I hope this is a matter that you might look into and see if we cannot have the same service on Fridays as we have on other days in the week.

**President.** — I shall convey your request to the Mayor of Strasbourg.

*(Laughter and applause)*

### 11. *Dangers arising from the use of consumer products*

**President.** — The next item is the report by Mrs Seibel-Emmerling, on behalf of the Committee on the Environment, Public Health and Consumer Protection (Doc. 1-70/81), on

the proposal from the Commission to the Council (Doc. 1-632/79) for a decision introducing a Community system for the rapid exchange of information on dangers arising from the use of consumer products.

I call the rapporteur.

**Mrs Seibel-Emmerling, rapporteur.** — *(DE)* Mr President, the Commission's proposal for the introduction of a high-speed information system requiring and enabling the Member States to exchange information and warnings more rapidly when consumer goods are found to constitute a danger to personal health and safety was referred to my committee, which appointed me rapporteur.

Uppermost in the Commission's mind was the desire to improve consumer protection by installing an early warning system and to extend this protection to all consumer goods, including, therefore, those generally considered to have been properly manufactured, some of which, however, prove to be dangerous for some reason. The proposal thus sets out to cover an area on which there has not been any Community legislation in the past. For this purpose, it provides for this infor-

mation system, in compliance with the proposal for the second consumer protection programme approved by a very large majority of the European Parliament. In the draft report I submitted to the committee, I welcomed this proposal as a further addition to consumer protection, as did all the European consumer associations, with the proviso, however, that a number of necessary amendments were made, relating in particular to its extension to include products not used exclusively for professional purposes and the requirement that information should also be extended to third countries.

As rapporteur, I considered it imperative for the Commission to include provisions on the recall of dangerous products. Because of a long illness, I was unable to be present when my draft report was presented in committee and voted on, and during this time Mrs Weber acted on my behalf, for which I am grateful to her. In my absence, the majority of the committee rejected my draft report and replaced it with the report now before you, PE 67.926/fin. This calls on the Commission to withdraw the proposal and to submit an improved version. The report adopted by the majority of the committee is based on the view that the mass media are better suited than national and Community authorities to disseminating the necessary information on dangers. Apart from the reasons previously advanced by the rapporteur, of decisive importance for the majority of the committee members was the absence in the proposal of a reference to the level of authority to be made responsible for implementation. In contrast, the minority of the committee welcomed this as a means of preventing the emergence of a new bureaucracy.

The majority of the committee did not feel that amendments proposed by this House would be enough to change this Commission proposal. This report, which has been presented to you in my name and which I have submitted, as is my duty as rapporteur, therefore calls on the Commission to withdraw its proposal. I ask Parliament to make its decision.

**President.** — I call the Socialist Group.

**Mrs Weber.** — *(DE)* Mr President, ladies and gentlemen, the situation in the Community at present is such that the consumer is not sufficiently assured of protection against the kind of dangers to which the rapporteur has just referred. There is an OECD agreement, but it unfortunately does not cover such important things as foodstuffs, pharmaceutical products and motor vehicles, and there is a Commission proposal, which does not ensure that these measures can be implemented as a matter of urgency.

This directive is designed to ensure adequate means of disseminating information where the public is directly

<sup>1</sup> In addition, the rapporteur spoke in favour of Amendment No 3.

**Weber**

exposed to danger. We have often had this situation in the past, for example when certain tyre manufacturers discovered that their products were defective. We have all heard the debate that followed the discovery that objects made of soft plastic and considered suitable for small children — and which evidently sold as well — could dissolve in children's stomachs and form dangerous crystals.

It is for such cases that this directive is intended. It is designed to ensure the safety and protect the health of individuals against defective foodstuffs, consumer goods — which includes everything to be found in the household, including motor-vehicles — pharmaceuticals and cosmetics, poisonous compounds and products which have long been regarded as harmless but which new findings suddenly show to be harmful.

We feel — and this was the opinion expressed by my Group in committee — that the Commission's proposal for a directive will make for a decisive improvement in the dissemination of information to the public. It will also ensure that measures which will influence the production and sale of these dangerous products are taken as quickly as possible. The directive will also provide for consultations among the Member States on follow-up measures and possibly the preparation of Community legislation and standards.

If we in the Community are to entrust this task to the media, we cannot then, of course, constantly call for the media to be left in private hands. We are absolutely opposed to this, but here we have people wanting to entrust these tasks to the media. If they can perform these tasks at all, then, I feel, only if they are public bodies.

Goods are free to cross the frontiers of our Community. We should also have a Community in which frontiers are open for the protection of the consumer. We therefore consider there is an urgent need for this directive and propose no more than a few minor amendments to the Commission's proposal. On the one hand, products used only for professional purposes should be excluded. On the other, in our amendment to paragraph 2 we have made a number of requests designed to ensure that consumption really does stop when products are recalled and that such measures do not contribute to unfair competition. There is, of course, a danger of this if the system is not properly thought out. A further important request is that there should be no additional bureaucratic apparatus, but that the present system and the new directive should be used to create a sensible information system for the European consumer.

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

**Mrs Lenz-Cornette.** — (*FR*) Mr President, ladies and

gentlemen — what few there are of you left — what is the purpose of this proposal? To protect the consumer against the dangers that may lie in certain products or certain substances by installing a system for the very rapid dissemination of information among the Member States and between the Member States and the Community.

Such products include foodstuffs, all household appliances, all gardening equipment, all do-it-yourself equipment and even toys. They also include all pharmaceutical, cosmetic and chemical products and so on. And then there are cars, bicycles and motorcycles. In other words, the directive covers all products used by people to feed themselves, look after themselves and transport themselves.

What does this proposal want to achieve? It wants to install a different system, a different administration to inform everyone. I should like to give you a number of examples to show that information has been disseminated very rapidly, I would even say more rapidly, through the mass media. Unlike the previous speakers, I find that the system of the mass media, whether publicly or privately owned, works well in Europe. I cannot agree with Mrs Weber, who believes that the radio, television and newspapers would be more reliable and more informative if they were owned by the State rather than private bodies. For example, some years ago Israeli oranges that had been poisoned were on sale. Everyone knew straight away, and the consumers stopped buying oranges, much to the displeasure of the other producers. We have had veal treated with hormones on sale. What did the consumers do? They stopped buying veal. They did not wait to be told by the Commission in Brussels to stop buying veal. There was the case of the frozen vegetables. There was the case of the nasi goreng in the Netherlands. What happened? People immediately stopped buying. In other words, information reached the consumer far more quickly through the newspapers, radio and television than it would have done with an information system concentrated on Brussels passing information on to the Member States.

We therefore feel that it is not enough to inform. The information is there. What are needed are services which ask themselves whether it would not be possible for a Member State to take the necessary steps to withdraw defective products. That is what is needed. Some countries — France, for example — have legislation allowing such products to be seized, so that they can be withdrawn from the market and, if necessary, destroyed. The information is immediately available. It is available to everyone. What are needed are legal measures in every country which allow defective foodstuffs and machines to be seized. I believe that the Community's fundamental aim should be to ensure that all the Member States take the necessary action and that there are harmonized procedures throughout the Community so that defective products can be withdrawn. It is for these reasons that the majority of

**Lenz-Cornette**

the Committee on the Environment, Public Health and Consumer Protection decided to ask the Commission to withdraw its proposal and to put forward a new and improved proposal which takes account of the circumstances already described by Mrs Seibel-Emmerling and Mrs Weber and includes, therefore, multi-purpose products, that is products used for professional and semiprofessional purposes, and which also provides for third countries to be informed. This might be achieved by disseminating information over the radio, since we import many products from Switzerland, for example, and from other countries. What are needed are information, communication and above all the means to seize products. Information will always get through somehow.

**President.** — I call the European Democratic Group.

**Mr Sherlock.** — Mr President, I have no intention of giving you a further address: you have already suffered enough science fiction for one lunchtime. In default of being able to use our hands immediately for voting, I am sure you would like to get the knife and fork in yours in particular.

**President.** — I call the Liberal and Democratic Group.

**Mrs von Alemann.** — (FR) Mr President, the Commission is proposing an information system involving the installation of a small administrative apparatus which would enable any Member State which establishes on its territory an immediate danger attributable to the use of a given product marketed in one or more countries of the Community to inform the other Member States and the Commission with the utmost speed. As soon as it was referred to the Committee on the Environment, Public Health and Consumer Protection, this proposal proved to involve various problems the effects of which might be serious in more than one respect.

The proposal, which does not adequately explain the need for the system proposed, does not provide for any guarantee or means of redress likely to help firms whose products have been wrongly called into question. Small and medium-sized firms would be the first to fall victim to a system of this kind. In addition, the confidential information system would be no more than optional. But secrecy, it seems to us, is essential in this field. This is a principle which should be safeguarded and made the rule, particularly where firms are concerned.

In general, this Community decision has major deficiencies, due largely to its lack of precision. This is a subject that cannot be dealt with in six very brief articles, which make it look as if not enough thought has gone into this proposal. We can therefore but congratulate the Committee on the Environment, Public

Health and Consumer Protection on its decision to call on the Commission to withdraw its proposal and possibly to submit an improved version.

We shall therefore be voting against the amendments tabled by Mrs Seibel-Emmerling.

**President.** — I call Mr Markozanis.

**Mr Markozanis.** — (GR) Mr President, the subject treated in this report by Mrs Seibel-Emmerling is too serious for our Parliament to be satisfied with a simple recommendation to the Commission to withdraw the proposal in question.

The collection and exchange of information on the dangers threatening consumers in the use of various products will provide a basis for drawing up a policy for protecting the Community's consumers. And we shall have to admit that in our urbanized society these dangers are numerous. We shall also have to admit that the safety of consumers constitutes the supreme target which must not, in any circumstances, be sacrificed to other expediencies.

For these reasons, I propose the following amendment to the House:

'The European Parliament recommends the Commission to improve its proposal, taking into account: first, the particular difficulties in collecting information in the various Member States;

secondly, the need to protect the reputation of various products against possible mistakes in sampling or chance correlation of accidents with specific products;

thirdly, the authorizing of specific regular sources for collecting information;

fourthly, the instituting of annual research projects and the collection of parallel information directly from the public, to cross-check this with previously acquired information on the one hand, and on the other, to determine the proportion and causes of accidents due to the use of certain products;

finally, the need to finance this research from Community funds.'

If the Commission takes these preconditions into account and adopts a system of speedy exchange of information, the protection of the consumers of the Member States of the Community from the dangers arising from the circulation of dangerous goods, the protection which we seek, will come about.

**President.** — I call Mr Peponis.

**Mr Peponis.** — (GR) Mr President, the motion for a resolution that we are debating does not, in our opinion, in such a critical problem as protection

**Peponis**

against the dangers contained in certain consumer goods, help in preventing these dangers.

On the contrary, it refers this serious question to an indefinite future and so gives encouragement to the immunity of unprincipled entrepreneurs. We agree that the Commission's proposal was inadequate; but if we vote for this motion in its present form we vote only for a simple recommendation and a non-committal consent that the Commission should submit, at some time in the future, a better proposal.

In effect, we shall thus deny our responsibilities. We are sure that certain firms, interested only in profit, put harmful products into circulation. We also know that powerful publicity campaigns often create deceptive impressions and that, often enough, products are presented as having curative properties, whereas they are harmful.

I believe that the Commission and all of us must take very serious note of the dangers arising from exaggerated and unverified publicity. We have definite examples from our experience in Greece. One of these is that it was discovered that baby-foods manufactured by a well-known European company imported into Greece contained dangerous hormones.

In short, we maintain that as broad an international system of information and control as possible with respect to dangerous products should be established and put into operation, in close collaboration with the WHO.

We completely sympathize with the correct appraisal of Mrs Weber regarding the inadequate functioning of the mass media unless we have the parallel international system which we support. We also believe that information checked for its accuracy must be communicated to all mankind, must become the property of all men. We are against secrecy. Furthermore, we believe that this system of information must cover not only products manufactured in our own countries but products imported from third countries as well.

With this justification, we shall vote against the motion if it remains in its original form. On the other hand, if Mrs Seibel-Emmerling's Amendment No 3 is accepted, we shall vote for the motion and we hope that it will be a step forward for Europe in the direction of specific measures.

Finally, we stress that Amendment No 4, tabled by my honourable Greek colleague, meets with scepticism on our part, because it expresses certain views more helpful to entrepreneurs than to consumers.

**President.** — I call the Commission.

**Mr Narjes, Member of the Commission.** — (DE) Mr President, I shall begin by thanking the House for the debate, the suggestions and the criticism. On the other hand, I am surprised that the committee responsible has rejected the Commission's proposal. This is, I believe, due to various misunderstandings and misinterpretations of the Commission's intentions. Despite the advanced hour, I would ask the members of the committee to reconsider their position.

I believe they have reason to do so. For one thing, the proposal concerns an information system and does not seek to justify the introduction of an intervention or control system. There is a formal need for this information system, because experience has shown that non-compulsory informal cooperation among the appropriate officials or ministries is not always successful. Let us take the example of hormones in veal, which has already been mentioned. We were not informed promptly or in full of this by telephone. We need a formal procedure.

I am mostly upset by the accusation that bureaucracy is being created here. This could not be further from the truth. What we need are ten telephones or ten sets of telex equipment, not even one single full-time official. It is impossible to be less bureaucratic than we are proposing here, if the object is to be achieved. Consequently, this criticism is obviously based on ideas which have nothing at all to do with our real intentions.

It has also been said that there is no need for legislation in this field. I have already mentioned the meat affair. I could mention others. We cannot rely on the mass media. It is not their task to pass on accurate scientific information promptly, but to check each piece of information to see if it constitutes what the media regard as news. If it does, there is a danger that it will be played up or used as an excuse for press campaigns. But they certainly cannot be relied upon to do what we want in the interests of the consumer, his health and so on, namely to act as a channel for the passage of reliable information from official to official.

I should also like to point out that we are not trying to introduce a system for the general communication of suspicions: the proposal expressly states that we want to install this system to deal with topical, acute and urgent cases and not, for example, to enable a general exchange of suspicions, involving endless bureaucracy. We want a rapid procedure, nothing more. We want to organize what sensible people already do as good neighbours when they recognize a danger: they say to each other, watch out, this is dangerous. No more and no less.

I cannot imagine why so reasonable a system should not be introduced. This has nothing to do with class struggle. Nothing could be further from our minds than that. It is an attempt to ensure in an unbureaucratic way that the necessary information, concerning

**Narjes**

spoiled mineral water or oil or something like that, toys for example, is passed on quickly.

There is a problem over definition. Whether we take commercial things or things which are of commercial and professional interest, I could fully support a motion that said: 'anything which is not exclusively designed for professional purposes is included'. I fully agree to that, because that is a reasonable solution.

The question of redress is perhaps also worth mentioning. Here again there is some misunderstanding. An information system is not an intervention or control system. All we shall be doing is informing the governments and ensuring that they act under their national legislation. If they do something that is liable to recourse, they may find a claim being made against them under national legislation. All we want to introduce is an organized service for urgent cases, and I ask you to view this subject solely in these practical terms. I should be grateful if Parliament could decide to do this, even though the time is 1.53 p.m.

**President.** — The debate is closed. We proceed to the vote.

(...)

*After rejection of the Commission's proposal for a decision*

**Mrs Seibel-Emmerling, rapporteur.** — (DE) Mr President, as the vote unfortunately corresponds to the decision taken by the majority of the committee, I cannot request reference to the committee, since the committee, as I have already said, has taken this decision. But I would refer to Rule 35 of our new Rules of Procedure and suggest to the President that he ask the Commission what should be done in this case.

**President.** — I call the Commission.

**Mr Narjes, Member of the Commission.** — (DE) Mr President, in view of the many specific problems that remain unsettled, reference to the committee would probably be the best solution.

**President.** — Do you withdraw your proposal for a decision?

**Mr Narjes, Member of the Commission.** — (DE) I was referring only to the question of procedure. In view of the outcome of our short debate, I feel the right thing would be for this report to be discussed again in committee.

**President.** — I call Mr Sherlock.

**Mr Sherlock.** — Mr President, on a point of order, it is not in my opinion appropriate or right to consult the Commission on the Rules of this House. Secondly, a vote has clearly been given in this House, slender though it be, which supports the view of the committee. In my opinion, none of the further amendments is susceptible of being put to a motion which in fact has been rejected by a majority of this House. That should be recorded, and let us all go home!

**President.** — Mr Sherlock, in no way did I consult the Commissioner on our Rules of Procedure: I asked him whether the Commission, after the vote that had taken place, intended to withdraw its proposal for a decision. In his reply, Mr Narjes suggested a reference to committee.

I call Mrs Seibel-Emmerling.

**Mrs Seibel-Emmerling, rapporteur.** — (DE) Mr President, may I ask you whether it is compatible with the Rules of Procedure for me to request reference of the report to the committee on condition that the Commissioner himself attends the committee's deliberations?

**President.** — I call Mr Arndt.

**Mr Arndt.** — (DE) I should like to make the following proposal regarding procedure. I interpret the Commission's statement as meaning that the Commission is not withdrawing the proposal. If this is so, Parliament must decide whether, now that we have this statement from the Commission, the committee should be again asked to deliver an opinion. I therefore request that, pursuant to Rule 35 (3), the committee state its views once again, but that the deadline be brought forward to the next part-session here in Strasbourg. Under Rule 35 the period would normally be four weeks, but that would take us beyond the July part-session. I therefore request that this opinion be delivered at the next part-session. The committee should then present us with a final report telling us whether or not it has been able to reach agreement with the Commission.

**President.** — I call Mr Turner.

**Mr Turner.** — Mr President, the only proper course for the Commission now, in view of what the House has done, is to withdraw its proposal and resubmit it to the committee itself as a new proposal. That is all it can do.



**President.** — I call Mr Rogers.

**Mr Rogers.** — Mr President, as I understand it, all the House has done is to pass an opinion on a proposal from the Commission. It has rejected it, yes, but all we have done is in fact to pass an opinion, which is that we are against it. As I understand it, what needs to be done now is for it to go back to the Commission and, as Mr Turner said, it can be submitted in a different form or, if the Commission wants to submit it again, . . .

**President.** — I am sorry, Mr Rogers, you know that I always listen with interest to what you have to say, but Mr Arndt's proposal has the merit of being based on a definite provision of the Rules of Procedure which provides for precisely the situation in which we now are. Mr Arndt proposes that the matter be referred to committee and put on the agenda of the next part-session.

*(Parliament rejected Mr Arndt's request)*

I call the rapporteur.

**Mrs Seibel-Emmerling, rapporteur.** — *(DE)* Mr President, I would appreciate an answer to the question I raised just now. I asked whether as rapporteur I can take the report back to the committee at this stage on condition that the Commissioner agrees to attend the committee's deliberations. I believe an answer to this question would save us further discussion.

**President.** — Since Parliament has rejected Mr Arndt's proposal, it is not possible to renew the proposal to refer the matter to committee.

We shall now consider the motion for a resolution.

*(Parliament rejected the preamble)*

In these circumstances, I think it is preferable not to continue with this vote.

In the terms of Rule 32 (3) of the Rules of Procedure, Parliament has accordingly not yet given an opinion.

## 12. VAT system for ships intended for scrap

**President.** — The next item is the report by Mr Nyborg, on behalf of the Committee on Economic and Monetary Affairs, on the VAT system for ships intended for scrap (Doc. 1-151/81).

I call the rapporteur.

**Mr Nyborg, rapporteur.** — *(DA)* Mr President, as rapporteur I find myself in a rather unusual position, because I have to present a report although the situation which gave rise to it has changed. The facts are these: the Committee on Economic and Monetary Affairs, without being informed about this change, dealt with a motion for a resolution which was well founded at the time it was drawn up, but which has been overtaken by events and thus rendered superfluous. Italy has now brought in a rule whereby ships intended for scrap can, as in the other Member States, be exempt from VAT. At any rate, this is what the Commission service told Parliament's secretariat by phone on 3 June. This means that the motion for a resolution, which is the basis of the report, is now pointless. In the circumstances, I think we must give the Commission the opportunity here and now to explain the position to Parliament. If it is the case that the Italian law has now been changed, I, for my part, shall not insist on the Commission submitting a proposal within a short time on the revision of the Seventh Directive on VAT, as I had requested in paragraph 3 of the motion for a resolution. How we are to proceed now depends on the Commission's answer on this point.

I therefore ask your permission, Mr President, to break off here and ask you to give the floor to the Commission. I should then like to have a chance, on my own and the committee's behalf, to suggest what should be done next. I ask you to excuse this rather messy procedure, but the reason is that the Commission is clearly in a position today to give us some information which the committee should have had much earlier. Mr President, the matter is in your hands.

**President.** — I call the Commission.

**Mr Narjes, Member of the Commission.** — *(DE)* Mr President, the Commission is able to confirm that it was informed by the Italian Permanent Representative on 2 June that the relevant Italian legislation has been amended to exempt ships intended for scrap from value-added tax in line with the recommendation made in Mr Nyborg's resolution.

I am sure that Mr Nyborg's report and the original motion for a resolution by Mr Bettiza and others have contributed to this change in Italy's national legislation and, on behalf of the Commission, I should like to thank him and his colleagues in the Committee on Economic and Monetary Affairs for the interest they have shown in this matter. I believe this has resulted in the successful elimination of an anomaly in the application of the Sixth Value-Added Tax Directive.

**President.** — I call the rapporteur.

**Mr Nyborg, rapporteur.** — (DA) Mr President, we have to get this finished and we can do that very easily, because, as I said, there is no longer any point in adopting the report since we have achieved our object. Therefore I ask you on my own and the committee's behalf to refer the report to the committee so that we can dispose of the matter.

*(Parliament adopted the request for reference to Committee)<sup>1</sup>*

13. *Adjournment of the session*

**President.** — I declare the session of the European Parliament adjourned.

*(The sitting was closed at 2.10 p.m.)*

---

<sup>1</sup> For information on items concerning the agenda, the time-limit for tabling amendments, the forwarding of resolutions adopted during the sitting and the dates for the next part-session, see the Minutes of Proceedings of this sitting.

**Salgs- og abonnementskontorer · Vertriebsbüros · Γραφεία πώλησεως ·  
Sales Offices · Bureaux de vente · Uffici di vendita · Verkoopkantoren**

**Belgique — België**

*Moniteur belge — Belgisch Staatsblad*  
Rue de Louvain 40-42 — Leuvensestraat 40-42  
1000 Bruxelles — 1000 Brussel  
Tél 512 00 26

*Sous-dépôts — Agentschappen*

Librairie européenne — Europese Boekhandel  
Rue de la Loi 244 — Wetstraat 244  
1040 Bruxelles — 1040 Brussel

**CREDOC**

Rue de la Montagne 34 - Bte 11 — Bergstraat 34  
- Bus 11  
1000 Bruxelles — 1000 Brussel

**Danmark**

*Schultz Forlag*

Møntergade 21  
1116 København K  
Tlf (01) 12 11 95

*Underagentur*

Europa Bøger  
Gammel Torv 6 — Postbox 137  
1004 København K  
Tlf (01) 15 62 73

**BR Deutschland**

*Verlag Bundesanzeiger*

Breite Straße — Postfach 10 80 06  
5000 Köln 1  
Tel (0221) 21 03 48  
(Fernschreiber Anzeiger Bonn 8 882 595)

**Ἑλλάς**

*Γ Κ Ἐλευθερουδάκης Α Ε*

Νίκη 4  
Ἀθήνα (126)  
Τηλ 3226323  
Τέλεξ 219410 elef

*Πρακτόρευση*

Βιβλιοπωλείο Μόλχο  
ὁδός Τσιμισκή 10  
Θεσσαλονίκη  
Τηλ 275 271  
Τέλεξ 412885 limo

**France**

*Service de vente en France des publications des  
Communautés européennes*

*Journal officiel*

26, rue Desaix  
75732 Paris Cedex 15  
Tél (1) 578 61 39

*« Service de documentation »*

D E P P — Maison de l'Europe  
37, rue des Francs-Bourgeois  
75004 Paris  
Tél 887 96 50

**Ireland**

*Government Publications*

Sales Office  
G P O Arcade  
Dublin 1

or by post

*Stationery Office*

Dublin 4  
Tel 78 96 44

**Italia**

*Libreria dello Stato*

Piazza G Verdi, 10  
00198 Roma — Tel (6) 8508  
Telex 62008

**Nederland**

*Staatsdrukkerij- en uitgeverijbedrijf*

Christoffel Plantijnstraat  
Postbus 20014  
2500EA 's-Gravenhage  
Tel (070) 78 99 11

**United Kingdom**

*H M Stationery Office*

P O Box 569  
London SE1 9NH  
Tel (01) 928 69 77 ext 365

**España**

*Libreria Mundi-Prensa*

Castelló 37  
Madrid 1  
Tel 275 46 55

**Portugal**

*Livraria Bertrand, s a r l*

Rua João de Deus — Venda Nova  
Amadora  
Tél 97 45 71  
Télex 12 709 — litran — p

**Schweiz - Suisse - Svizzera**

*Librairie Payot*

6, rue Grenus  
1211 Genève  
Tél 31 89 50

**Sverige**

*Librairie C E Fritzes*

Regeringsgatan 12  
Box 16356  
103 27 Stockholm  
Tél 08-23 89 00

**United States of America**

*European Community Information Service*

2100 M Street, N.W  
Suite 707  
Washington, D.C 20 037  
Tel (202) 862 95 00

**Grand-Duché de Luxembourg**

\*\*

**Andre lande · Andere Länder · Ἄλλες χώρες · Other countries · Autres pays · Altri paesi · Andere landen**

Kontoret for De europæiske Fællesskabers officielle Publikationer · Amt für amtliche Veröffentlichungen der Europäischen Gemeinschaften ·  
Υπηρεσία Ἐπισημῶν Ἐκδόσεων τῶν Εὐρωπαϊκῶν Κοινοτήτων · Office for Official Publications of the European Communities ·  
Office des publications officielles des Communautés européennes · Ufficio delle pubblicazioni ufficiali delle Comunità europee ·  
Bureau voor officiële publikaties der Europese Gemeenschappen

L-2985 Luxembourg - 5, rue du Commerce · Tél. 49 00 81

Debates of the European Parliament, published as an annex to the Official Journal of the European Communities, comprise:

- report of proceedings,
- annual indexes.

---

**Sales**

Annual subscriptions run from March, the beginning of the Parliamentary Year, until February.

Orders may be placed with the Office for Official Publications of the European Communities.

Payments to be made only to this Office.

Price (excluding VAT) in Luxembourg

Annual subscription 1981/1982: ECU 40,80 BFR 1700 IRL 29 UKL 25.50 USD 59.50

Single issue: price set accordingly in each case and shown on cover.

Prices do not include postage.

---

ECU 12      BFR 500      IRL 8      UKL 7      USD 17.50



OFFICE FOR OFFICIAL PUBLICATIONS  
OF THE EUROPEAN COMMUNITIES

ISSN 0378-5041

L-2985 Luxembourg

Catalogue number: AX-AA-81-005-EN-C