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NOTE TO READER

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

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

SITTING OF MONDAY, 14 JANUARY 1985

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IN THE CHAIR: MR PFLIMLIN

President

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

1. *Resumption of the session*

President. — I declare resumed the session of the European Parliament adjourned on 14 December 1984.¹

2. *European Music Year*

President. — Before approaching the subjects entered in the agenda, I should like to say a word about the European Music Year, which begins this month.

As we advance together along the road leading to the unification of Europe, we come across numerous obstacles of an economic or political nature. We can strengthen our convictions and our resolve by turning our minds to the sources of European unity that are to be found in the realms of the mind, the realm of cul-

ture. We are the heirs of a common civilization which, in the course of centuries, has found expression in works of art and scientific discoveries which have enriched the heritage of humanity as a whole.

Among our common resources, one of the most authentic and most viable is undoubtedly that of music. This has prompted our Parliament, on the basis of a report by Mr Hahn, and in conjunction with the Council of Europe, to proclaim the year 1985, during which the third centenary of the birth of three great European composers, Bach, Handel and Scarlatti, will be celebrated, European Music Year.

The fact that a thousand or so different activities have already been envisaged to mark this occasion augurs well of its success. On Wednesday next, the European Parliament itself, on the initiative of Lady Elles, is organizing a concert at the Pavillion Joséphine in which not only Strasbourg musicians but also the Youth Orchestra of the Community will be taking part.

It is my hope that, through the mediums of music, our fellow-citizens will become more profoundly aware of the possibility of communicating with one another over and above national differences. With this hope in mind, and on behalf of this Parliament, whose vocation it is to incarnate the European spirit, I officially open European Music Year.

(Applause)

¹ For items concerning approval of the Minutes, petitions, written declarations under Rule 49, reference to committee, withdrawal of a motion for a resolution, authorization of reports, documents received and membership of Parliament, see the Minutes of Proceedings of this sitting.

3. Order of business

President. — At its meeting of 11 and 12 December 1984, the enlarged Bureau drew up a draft order of business, and this has been distributed.

At this morning's meeting, the chairmen of the political groups authorized me to put to the House a number of proposed modifications.

(The President read out the modifications proposed to the agendas of Monday, Wednesday and Thursday)¹

I have received a request, bearing 21 signatures, that the report on the wine market, drawn up by Mr Gatti on behalf of the Committee on Agriculture, Fisheries and Food, listed as Item 315, be withdrawn from the agenda and sent back to committee.

Mr Bocklet (PPE). — *(DE)* Mr President, the Gatti report deals with the proposals on the wine market put forward by the Commission before the Dublin Summit. Consequently, the results of the Dublin Summit were not taken into account in this document. The Committee on Agriculture, Fisheries and Food feels that Parliament would be giving up its right to be heard on the decisions of the Dublin Summit if we were to deliver our opinion on what the Commission submitted before the Dublin Summit. We are therefore asking that this report be sent back to the committee to enable it to present to Parliament a report taking account of the Dublin decision so that Parliament in turn can deliver its opinion on the current situation of the organization of the wine market.

Mr Sutra (S). — *(FR)* Mr President, I am somewhat surprised by what Mr Bocklet has just said, since this is something which we have already debated in the Committee on Agriculture. The Committee on Agriculture took a decision and a vote. It decided to examine Mr Gatti's report; which it has done. Mr Bocklet was present. Moreover, Mr Gatti is in a position to deliver his report on behalf of the Committee on Agriculture, which adopted it.

I do not understand why this procedural debate is being reopened now. All the arguments were put to the Committee on Agriculture. We decided that this report should be taken now so that we can deliver our opinion, after the Dublin compromise, on the wine market and the position and the wishes of Parliament can be communicated to the Council of Agriculture Ministers.

The Committee on Agriculture voted in favour of this. Mr Gatti is the committee rapporteur. I do not understand why we are reopening in plenary session, using

the same arguments, a debate which has already taken place in the Committee on Agriculture.

Mr d'Ormesson (DR). — *(FR)* Mr President, on behalf of the Group of the European Right, I support Mr Bocklet's proposal. The Dublin Summit profoundly affected decisions taken earlier, and it would not be appropriate to discuss proposals overtaken by the text adopted in Dublin. I therefore support Mr Bocklet's proposal, and as soon as we have received the conclusions of the Dublin Summit on wine-growing, they will, I hope, be immediately referred to the Committee on Agriculture and to the Committee on Budgets for its opinion and we shall be able to debate them without delay on the floor of the House, since the Dublin decisions have had such a serious effect on the wine-growing situation, both in Italy and France.

Mr Gatti (COM), rapporteur. — *(IT)* Mr President, ladies and gentlemen, I think it must be pointed out that the subject the House will have to debate concerns not only, as might seem from what Mr Bocklet and Mr d'Ormesson have said, the question of distillation, already discussed in Dublin. The Committee on Agriculture and, indeed, the Parliament, are called upon to express an opinion on other regulations which also form part of the measures the Community will have to take to deal with the difficulties besetting the wine market.

It has already been pointed out that the Committee on Agriculture has expressed itself in favour of Parliament's debating the matter precisely because it concerns not just one aspect of the problem but a whole number of measures. Above all, it is important, ladies and gentlemen, that the Parliament should express its views without delay: it is enough to remember that the only Community institution not to have had an opportunity so far of discussing the difficulties in the wine sector is precisely this Parliament. It is the only institution that has yet to express its views, and this it must do if the Council is not to take decisions without receiving Parliament's opinion — a procedure which various colleagues in the past have often justly deplored. It is really absurd, if I may say so, to ask that the matter be sent back to committee and to wait for the Council's decision. I think these arguments should persuade the Parliament to proceed to a debate during this part-session and to resume it during the part-session of February, by which time we shall have the other regulation on distillation. I am therefore clearly opposed to sending the matter back to committee.

(Parliament approved the request for reference to committee)

President. — I have received from the Council the following requests for the application of urgent procedure pursuant to Rule 57 of the Rules of Procedure.

(The President read out these requests)¹

¹ See Minutes.

¹ See Minutes.

Mr Gautier (S). — (DE) Mr President, if, as the agenda states, we are to vote tomorrow morning on the urgencies, it would clearly be advisable for the Commission to make a statement before we vote on the Beumer report on the VAT directive. At the December part-session, the Commission was requested to give its opinion in the light of the vote.

If the Commission does not tell us, until tomorrow afternoon, what it intends to do as a result of the vote in December, we shall not be able to vote on the request for urgent procedure tomorrow morning.

President. — We shall see tomorrow what can be done. We shall get in touch with the Commission on this matter.

Mr Tuckman (ED). — Mr President, in all you have said I have missed hearing about the Raggio report on the statistical basis for the Social Fund. This was something the committee to which I belong was very anxious to have debated this month. We had understood that this would be so. Could you let me know why it seems to be missing from the agenda?

President. — We have not received a formal request to include this report in the order of business. The matter was discussed this morning at the meeting of group chairmen, who considered that it should be entered on the agenda for February.

It so happens that during the February part-session we shall have to consider a number of reports concerning economic and social matters, including questions of regional policy, which form a coherent whole.

I think it would be better for the organization of our work to enter the Raggio report to which you are referring on the agenda for the February part-session.

Mr Welsh (ED), Chairman of the Committee on Social Affairs and Employment. — Mr President, I would just like to point out that there was a formal request that the Raggio report be taken today. On behalf of the Committee on Social Affairs and Employment, I must say that I find the reasons the chairmen gave pretty unconvincing.

President. — I really think, Mr Welsh, that the group chairmen's proposal is a reasonable one and that you will have more time to consider this report next month.

(Parliament adopted the order of business thus modified)¹

4. Introduction of the new Commission

The next item is the introduction of the new Commission of the European Communities.

We now come, ladies and gentlemen, to the essential item on today's agenda. I have the privilege of welcoming Mr Jacques Delors, President, and all the other Members of the new Commission.

(Prolonged applause)

We are deeply grateful to the Commission President for having agreed to put before this House the main lines of action envisaged by the body over which he now presides.

Mr Delors, President of the Commission. — (FR) Mr President, ladies and gentlemen, in introducing itself at the beginning of its mandate, as you expressly desired it should, the Commission is fully aware of the importance of these two days. In this way it wishes to mark its political responsibility to the Parliament and engage with it in a frank dialogue and in a period of work that shall bring us nearer to that Europe that we all long to see.

As we see it, this collective act before the representatives of the citizen's Europe goes hand in hand with the individual act of loyalty performed by each Commissioner before the Court of Justice as symbolizing the Community as an entity in law.

Ladies and gentlemen, one Commission has gone, another has come. One four-year term has finished, another is about to begin. But neither the history of European integration, nor the Commission's rôle in it, can be appraised in terms of four-year cycles, particularly since the Commission, though essential, is not the only Community institution, and particularly since, as I will illustrate later, the institutional framework put in place by the Treaty of Rome has, to put it mildly, been operating less and less satisfactorily.

As I take over the baton from Gaston Thorn, as a new year begins, may I say that his Commission has left us a message of hope. Yes, a message of hope. Firstly, because it, and Gaston Thorn in particular, never relaxed their efforts to promote healthy awareness and remind us of 'what we are fighting for', or rather, 'why we must live and work together'. And there is no doubt that there is a new feeling abroad. Disenchantment with Europe is receding. Secondly, because Europe is, I hope, on the point of settling the family feuds which have literally paralysed it in recent years. It is not for me to say who deserves the credit for this, but I feel that the proposals put forward by the outgoing Commission, its constant reaffirmation of the original contract uniting us, did much to settle these disputes, which future historians will find laughable in the harsh light of contemporary challenges.

¹ For items concerning time-limits for tabling amendments and speaking-time, see Minutes.

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So it is that a new Commission appears before you, imbued with intellectual humility and great political resolve. Personally, I am more aware of the humility. I have often wondered why the Community, with its committed and talented leadership, has never got off the ground; why it has failed to achieve the aims enshrined in the Treaty, aims on which there was a modicum of consensus; in short, why it has failed to bring about the economic, social and monetary integration which is vital to the advancement of our ten nations. Forgive me if I come up with a rather trite thought, born of experience: I believe that the engineers of European integration are fumbling not over what has to be done but rather over *how* to get about it. We can no longer blame the crippling weight of the crisis, the absence of political will or the inertia of national officialdom. We need to look further and, here again, there is a glimmer of hope: the European Council is now as anxious as this House to improve the performance of the institutions.

I know only too well that it is easier to raise applause by talking about exciting goals than about ways of achieving them. But 'there's the rub'. Empty talk is not enough.

How can we make the most of the new break in the clouds? I hesitate to go too far, for my exploratory talks in the capitals have revealed fundamental differences of opinion, mental reservations and varying interpretations of existing rules. But when all is said and done, the opportunity is there for the Community to take advantage of the favourable winds or, once again, let a opportunity slip by.

Make no mistake about it. While the world around us is in a state of flux, the powers of today regathering their strength and the powers of tomorrow flexing their muscles, Europe's credit is at stake, in the eyes of our own people, in the eyes of the superpowers, and in the eyes of the Third World.

Tell me, ladies and gentlemen, decide for yourselves: does Europe want to exist? Does it want to win respect?

Each of you here knows full well that it does. You have been elected by universal suffrage and are accountable for your actions to the people of Europe. But Europe's credit will have to be earned the hard way. It will depend on Europe's strength, on Europe's economic and financial power, on the example set by European society. I propose to outline an approach to you now, but I will return — if your enlarged Bureau agrees — to present to your March part-session the Commission's programme for the coming year. You will appreciate that this must be prepared by the Commission as a body and therefore will take a little time.

One may ask what I have in mind since I have been talking so much, and shall be talking, about ways and means. It is an approach to achieving consensus and

convergence of will, to acting and succeeding. This, and the search for greater credibility, are the essentials. It also means I shall have something to say about the functioning of the institutions and the decision-making process. In so doing I shall endeavour to clarify matters in a field where debate has been ambiguous and controversial, although everyone agrees that reform is urgently needed.

Europe's credibility.

The Members of this House have always been among the most active in our endeavours to make the Community a People's Europe. As a Member myself and chairman of the committee whose remit included the free movement of persons, goods, services and capital, I supported the efforts of all those who, quite rightly, took exception to the continued existence of substantial obstacles. To them, private individuals and businesses alike, Europe appeared — and still appears — like some kind of feudal state where barriers, customs posts, formalities and red tape proliferate. But now that the Heads of State or Government have decided to set an example, to throw their weight into the balance, to clear away all obstacles to free movement, whether hidden or visible, it may not be over-optimistic to announce a decision to eliminate all frontiers within Europe by 1992 and to implement it. That gives us eight years, the term of office of two Commissions.

(Applause)

We, for our part, are prepared to work towards that goal, in association with the Committee on a People's Europe, chaired by Mr Adonino.

If I may go into details at this early stage, the Council and Parliament have approved the programme for consolidating the internal market presented by the outgoing Commission. It must be put into effect as quickly as possible. It is up to us, now, to do it and to make our proposals for the next stage, together with the appropriate time-limits.

This, I believe, will meet a prime, indeed a vital, concern of yours, of which you have spoken. We should both like to see the people of Europe, your electors, enjoying the daily experience of a tangible Europe, a real Community where travel, communication and trade are possible without any hindrance, by the end of this Parliament in 1988.

(Applause)

If we can achieve this, the European elections of 1989 will mark a renewal, the birth of citizenship in effect, a boost to democracy.

But faced with the uncertainties and worries of the future, what people are looking for above all else is not freedom of movement. They are concerned with living, with finding a place in society — and that

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means finding work — with the balance between career and private life, with the post-industrial society and their environment. Pulling down the frontiers will not convince them of our resolve to do away with large-scale unemployment. Here, too, the credibility of the European venture is at stake, at both national and Community level: at national level since nothing will absolve us from the need to reforge competitive structures and rediscover the path to economic growth; and at Community level since it is the Community which must act as the multiplier of national efforts. Economic convergence will be meaningless to people if we have not reversed the terrible rise of unemployment within the next two years. It depends on us. It depends on our strength and our ability to adapt our structures and stimulate an economic upturn at the same time.

Nor should we of the older generation forget the aspirations born in the 'golden sixties', in the 'affluent society'. They are many and varied, I know, sometimes confused and often full of contradictions. But surely that has always been the way? It is impossible to imagine that Europe should not be involved in this great cultural debate when we remember that, besides its shameful past and fratricidal wars, it has provided mankind with models of thought in which society, the individual and nature tended towards a harmonious equilibrium.

It is in this spirit that we will celebrate 1985 as International Youth Year, reflecting the questions, hopes and fears of the younger generation. In this spirit we will defend and affirm our identity and cultural diversity in a world being transformed by information technology.

The aspiration is for a cultural Europe. And rightly so. But culture as a living experience also means enabling everyone to develop in a society in which he has a say and in an environment, man-made or natural, which favours human development. That is why we are being called upon to combat so many different ills — to improve working conditions, to redesign our cities and rethink our ways of living, to preserve the irreplaceable revitalizing force of nature. Many of these things are the concerns of environment policy, and here the Community must set an example by realistic action, stimulating and crowning the creative effort, encouraging and disseminating innovation in order to create the basis for the renewal that is needed.

That is where the great European dream lies, rooted in a history of creative effort in the service of mankind. We must nurture this dream on our ideals and our achievements. Jean Monnet's comment on the beginnings of the Community remains remarkably apt today. 'The beginning of Europe was a political conception, but, even more, it was a moral idea. Europeans had gradually lost the ability to live together and combine their creative strength. There seemed to be decline in their contribution to progress and to the civilization which they themselves had created . . .'

Recalling the words of Jean Monnet, I would urge you to resist mere fashion, to rediscover confidence in yourselves and in this Community, which is soon to be enlarged to twelve members encompassing, from North to South, almost every current of European humanism.

These cultural considerations will not divorce us from the realities of the world we live in. We are all aware of the harshness of the present time. But it would be useless for the Community to proclaim noble-sounding messages if nobody were to listen to it, if it were to pass into history. And let us not delude ourselves, that is the danger we are facing. There are those who regard Europe as ageing and infirm and who treat us accordingly, while others deplore our lack of initiative and generosity.

Where, then, is the message of hope I spoke of just now? It lies in our ability to speak with a single voice and act in concert.

(Applause)

Can we do it? To be perfectly frank, our record in recent years is not very encouraging. The Community has, it is true, fought for its various interests, but too often it has been on the defensive, at best limiting the damage. Most of the time there have been no forceful statements of a common position but merely vague intentions, with varying shifts of emphasis from one Member State to another. The result: the Community has been unable to persuade its two major partners and friends — the United States and Japan — to act in concert to remedy the glaring ills of the world economy, such as monetary instability, prohibitive interest-rates, hidden protectionism and the reduction in aid of all kinds to the poorest countries.

Those who look on the bright side will tell me that the worst has been avoided: the problems of indebtedness have been resolved one by one; international trade has picked up once more. But the sickness has not been cured, nor the danger removed. I do not claim to have all the answers. I am simply asking the central question: are the Member States agreed on their diagnosis of the major problems of the world economy? Are they capable, once they have ascertained what their differences are and gone some way towards overcoming them, of working out a set of proposals which are acceptable to all and likely to improve its operation? That is the most important question Europe has to answer.

It is my responsibility to stimulate discussions, first within the Commission and then in Parliament and the Council, to rescue us from what must be seen as Europe's lethargy in this field. I shall do this with the deep-seated conviction that we can reach dynamic agreement among ourselves which will lead to proposals and joint action. And the aim is not just to protect our own legitimate industrial, agricultural and finan-

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cial interests: we also have to cooperate in a world economic order very different from the fable of the fox and the chickens. We must show by the quality of our proposals and the exemplary nature of our actions that efficacy and justice can go together — yes, in Europe that is possible — and that the emerging countries — 'Les nations en voie de se faire', as François Perroux called them — must be treated on equal terms. It will then be up to them to show that they can make a positive contribution to the development of the world economy.

This is the significance of Lomé III, which is an example of continuity on the part of the Community and should encourage us to pursue our efforts to establish a fairer, more effectual economic order.

We must, therefore, get things clear — and quickly! We are being challenged: to maintain Europe as an agricultural power, to take our place in the forefront of the new technologies, to invest in our own development rather than see part of our resources go to sustain the growth of the strongest; we must share world responsibilities on monetary matters and defend our trading interests, as well as playing our full part in widening the exchange of goods and services.

In short, Europe must find its imagination again and return to the attack. Those who have nothing to propose are soon forgotten or held in contempt. Those who lack the means to match their ambitions are rapidly reduced to tagging along behind or engaging in slanging-matches.

We Europeans must tell ourselves each and every day: yes, we know how to do it, and yes, we can do it.

(Applause)

If I stress our economic and financial capacities, it is not my intention to leave political action as such out of account. Satisfaction can be drawn from the fact that political cooperation has intensified and joint initiatives have been taken in that field.

Moral strength must be displayed, particularly wherever human rights are threatened or flouted and wherever peace is endangered or destroyed. Here you in this House have often shown the way.

While I have no wish to go into this at any great length, I cannot but underline the importance of the talks that have been held in Geneva between representatives of the United States and the Soviet Union. Europeans must not relax their vigilance, the controversies are not yet over, but the talks do hold out a message of hope — hope for our ideal of peace, naturally, but also for our ideal of solidarity, for, as you yourselves, ladies and gentlemen, have said, the world has better things to do than prolong the arms race

when there is so much unemployment to be overcome and so much distress to be relieved.

(Applause)

Europe's credibility by all means, but also its strength.

But let us return to our initial priority. We need to endow ourselves with economic, technological, financial and monetary strength, but this strength will never realize its full potential unless it is based on democracy and justice. Democracy does not just make for Europe's daily credibility; it also means vitality in industrial relations and maximum participation. Justice means more than a fair reward for initiative and risk-taking; it also means the kind of community that makes all its members welcome and is mindful of the need to provide equal opportunities for all. Democracy and justice! Let me ask this: when shall we have the first European collective bargaining agreement?

(Applause)

I would insist on this point. The European collective agreement is not just an empty slogan. It would provide a dynamic framework, one that respected differing views — a spur to initiative, not a source of paralysing uniformity.

I draw attention to this need for a balance between justice and efficiency, all too often forgotten nowadays, not to affirm that any one political doctrine is better than another but because it points to what is truly our common democratic and European heritage: the foundation on which Europe achieved its post-war recovery and the remarkable growth which followed.

Let us beware of those who would gladly throw away the baby with the bath-water. Let us beware of fashions, moods and impulses and, above all, opportunism and the desire to please. The Commission will not be taken in by them.

European industrial society used to be a model of efficiency. It is less so today — there can be no doubt about it. It is fighting for its life — that is quite clear. Reforms are needed — nobody denies it. But the principles still hold good, because they are based on the idea of a balanced relationship between society and the individual.

What we lack, apart from a certain degree of self-confidence, is the benefit of scale and the multiplier effect. This can only result from a more united and more integrated Europe. In its four years in office, the Commission proposes that we take decisive steps in three directions:

- (1) a Community-wide market and industrial cooperation;
- (2) the strengthening of the European Monetary System;

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(3) the convergence of economies as leading to higher growth and more employment.

We have to do this if we are to exist in a world where large entities dominate and where toughness is the principal characteristic of all kinds of relations. We have to start without delay; I must insist on this. In taking this action, we shall be saying 'no' to scepticism, 'no' to defeatism and 'no' to all excuses for doing nothing, no matter how cleverly presented they are to public opinion. European affairs often give the impression of being a contest between Member States instead of presenting the picture of a united team, a party of climbers scaling greater heights.

(Applause)

There is no better illustration of the effects of scale than the triptych of a Community-wide market, harmonization of rules and industrial cooperation. We have heard more than enough about the disjointedness of our efforts, the obstacles to healthy competition, the rigid barriers around public contracts, the absence of structures to encourage cooperation between European firms and the need for common standards to promote innovation. In the final analysis, as the example of research shows, it is not manpower and capital that we lack. These are comparable with what the United States and Japan employ. No, what we lack is a single economic and social *espace européen* in which all the protagonists of scientific and economic progress can engage more easily in exchanges and cooperation.

This has been demonstrated in two sectors — the Esprit programme and telecommunications. The Commission has been able to show all those concerned the advantages of exchanges and cooperation and has succeeded in persuading them quite naturally to combine their research efforts, open up the road to common standards and take the initiative on a number of sunrise projects. This has demonstrated the value of extending the market in general and, in this specific sector, of throwing open public contracts. Thus the excellence of a method which we intend to follow has been underlined.

We must be guided by this persuasive approach. You know the saying, 'You can take horse to water, but you can't make it drink'. This has been applied by an economist to the question of investment, and it can be extended to action on a European scale. It will not be possible to mobilize firms, researchers and workers unless they are aware of the vital interest of the European dimension and themselves become the instruments of change.

(Applause)

Of course, there have been setbacks; of course, there are obstacles, and major ones at that. Achievement of the internal market has been held up by the rule of unanimity, deriving either from the Treaty itself —

and I am thinking in particular of Article 100 — or from the misuse of the concept of vital interests.

(Applause)

You may rest assured that the new Commission will make full use of all the possibilities offered by the Treaty to overcome these obstacles and to ensure that there is no shirking of responsibilities. A programme, a timetable and a method will be proposed to Council and Parliament.

(Applause)

As guardian of the European public interest, the Commission will take strong action on these problems, which affect both everyday life — the citizen's Europe — and the world of business and commerce, firms and workers.

(Applause)

For this reason I will confine myself for the time being to what I regard as fundamental for the internal balance of Europe and for the success of the venture.

First of all, the three elements of the proposition cannot be separated. There can be no fair and healthy competition without a harmonization of rules. Remember that competition can kill competition if the market does not permit a fair contest between the different rivals. Hence the need to ensure, as happens in many of the Member States, that national measures do not lead to unbalanced competition. I would point out that this did not escape the authors of the Treaty of Rome, as Article 102 shows. The Commission will make use of this Article wherever necessary.

But Europe will not modernize its production structures just because a large market exists. The search for the larger scale will require the promotion of cooperation between European firms, the creation of a suitable framework, tax concessions to encourage business cooperation and financial incentives at Community level instead of the costly and ineffectual escalation of national aids and incentives.

People tend to forget that one of the factors which has helped to start the harmonization process — since I am on the subject — is the European Monetary System. With regard to the supranational market, the EMS, by stopping, in effect, monetary dumping, has helped increase trade within the Community. So there is no monetary dumping, but that is not enough. There should be no social dumping either.

(Applause)

Here, too, we must try to harmonize the rules. This, with regard to the supranational market that we all want to see set up, is the significance to the social *espace européen*, which has still to be created. Other-

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wise, what will happen without this modicum of harmonization of social rules? What are we already witnessing? — Member States and firms trying to gain an advantage over their competitors at the cost of what can only be described as social decline.

Let us be clear on this point. Like many of you, I believe our economies are too inflexible. But the causes of this inflexibility are many. If we spend all our time looking for them in just one direction, we may well run aground, for Europe will not be achieved in a kind of inverted social progress. The labour market should indeed be made more flexible — no one is more convinced of that than I am —, but it is no less important to stimulate initiative and to fight against all unjust advantages deriving from acquired positions.

To come back to the major areas covered by employment and labour-market policies, our success will depend on two conditions being met: reforms must be negotiated by the two sides of industry — in other words, collective bargaining must remain one of the cornerstones of our economy — and efforts must be made to secure some harmonization at Community level. That is why I raised the idea a few moments ago of European collective agreements to provide the general framework which is essential for the achievement of a Community-wide market. That is why I wish to insist, for the sake of giving us greater confidence, on the importance of human resources for the knowledge and skills which they contribute. Our policies on education and training must help everyone to a better understanding of the way the world is going and enable everyone to make the best use of his talents and personal resources in the interests of the community.

Ladies and gentlemen, I ask you: is it possible to make progress here — in the field of industrial cooperation, the Community-wide internal market — while dismantling what has been done elsewhere? This, to be quite frank, is the question which needs to be asked about the common agricultural policy. I think I have detected some reservations here and heard fears expressed in other quarters about a renationalization of the agricultural policy. National expenditure on agriculture, excluding social security, is now equal to one-half of Community spending. What useful contribution is the Community dimension making? It is time to stop drifting and recall the three key principles of the Treaty — a unified market, financial solidarity and Community preference — and add the common commercial policy. These principles provide the framework for continuing the efforts, already well launched, to modernize the common agricultural policy and determine the prospects for European agriculture. Farmers, too, need fresh reasons to feed their hope and belief in their economic and social function, their hope and belief in Europe.

The job of the Community is to sustain those activities which are essential to meet needs and maintain human and natural balances. It intends to remain a leading

agricultural power: this is essential for its autonomy, the strength of its trading position and its political standing.

(Applause)

The same is true of the future of the ECU and the European Monetary System. Nobody would now deny that in five years the EMS has proved its worth. Nobody would now deny that, for all its members, advantages have outweighed any drawbacks and constraints. I repeat: for all its members. The EMS has been an area of relative calm in a sea agitated by the wide and sudden fluctuations of currencies. It has helped trade to develop and permitted growth in the private use of the ECU.

Nevertheless, you may be surprised to hear that a real Community currency will not be one of the objectives of my four-year term. I am too well aware of the fundamental problems — particularly among the central banks — and technical complexities of monetary questions to make any promises about this. No thoughtless promises! On the other hand, I do believe that a substantial strengthening of monetary cooperation and a controlled extension of the rôles of the official and the private ECU are both possible. Here, too, the Commission will propose a way of making progress in the light of the lessons learnt by us all from the two abortive attempts of recent years, in which I, for one, was closely involved.

For the moment, I shall confine myself to asking a number of questions, which I would like all of you — even the least enthusiastic — to consider.

1. Suppose the growing interest in the private ECU takes on even vaster proportions, as happened with the Eurodollar. Do you not think that this would impose responsibilities on the countries which set up the EMS? Would they not have to take steps to shield the private ECU from unfair and dangerous speculation and to ensure healthy conditions for its growth, in the interests of monetary policy and sound management of the banking system?

2. If you consider, as I do, that the burden placed on the dollar is too great, should not the Community introduce a currency, the official ECU, which would enable the central banks to diversify their reserves? This is no doubt a technical point, but it is one which calls for political will. Is Europe prepared, that is to say, by supporting a reserve currency, to share the global burden of monetary management with the United States? If it were to do this, would it not be in a stronger position to ask Japan to take its share of the load and persuade the United States to introduce the internal discipline which would make for relative stability on foreign exchanges and a more balanced distribution of savings and financial resources?

3. A strengthened EMS, seen as one of the keys to progress past and progress still to come, could reveal

Delors

the much-sought-for path to economic and monetary union mapped out by the Werner report fifteen years ago. In this way the monetary approach, regarded by many as dangerous or sophisticated, would stimulate growth and create employment. What a triumph if the Community could demonstrate that monetary stringency and the fight against unemployment are not mutually opposed but go hand in hand!

This brings me back to the fight against unemployment. I have spoken at length about the scale of this problem on the structural plane: the need to adapt our production capacity through the larger market and industrial cooperation. This does not mean, however, that we should neglect short-term factors. Once again, Europe's credibility depends to a large extent on turning the tide of unemployment.

(Applause)

Here, too, consensus must be sought. Economic convergence is a positive factor, greatly assisted by the existence of the EMS. But it is no less true that convergence has contributed to the success of the EMS, and this is a way forward which should be pursued. But to what purpose? And by what means? We have to agree on what we mean by convergence. If I were not afraid of spreading confusion in this long speech, I would happily substitute the idea of consistency. If inflation is to be beaten, if external imbalances are to be corrected and if efforts in this direction are to be maintained, we must not lose sight of the reality and diversity of the Community.

Any attempt to standardize models of growth and regional development throughout Europe, from the North to the South, would be an affront — since I have brought in the word — to consistency. Development must be planned and carried out using the human and natural resources of each of the Member States. This, to take but one example, is what lends the integrated Mediterranean programmes their importance, since they are designed to make the most of existing resources and skills. In our joint striving for stringency and fresh approaches, let us seek to profit from our diversity, in which lie our riches!

(Applause)

Similarly, it would be an affront to consistency if, speaking in cost-benefit terms, we disregarded the prospects which the Common Market opens up to countries which have traditionally lived by their export, so. It must be said frankly that this is where looking at the Community in purely budgetary terms will lead us. We have to take all factors into account when seeking to find the balance of advantage. As Roy Jenkins said in this very Chamber in 1977:

The Community... can create and give more than it receives, but only if the Member States, peoples and governments alike, have the vision to

ask what they can contribute, and not just what they can get.

(Applause)

We shall keep these considerations at the front of our minds when the problem of adapting the Community's budgetary and financial resources to the aims it sets itself has to be posed in realistic and balanced terms. The occasion is nearer in time than some people think, for, as the outgoing Commission constantly stressed, a balanced and efficient Community cannot be built on a VAT rate limited to 1.6%. I construe this as meaning that we must strike a balance between our ambitions and our resources, applying the principles of sound management to all types of expenditure. Here the following question is also pertinent: in certain cases, would not an extra ten ECU in the Community budget have a greater multiplier effect than one extra ECU in the budget of each of the ten Member States?

(Applause)

Indeed, this seems to be one of the key ideas underlying the approach adopted by Parliament to justify the draft Treaty on European Union: what is known as the 'subsidiarity principle'.

Finally, it would also be an affront to consistency if each country took financial and monetary austerity to the extreme and expected to secure its salvation — that is, a return to a higher growth-rate-solely from increased sales to its partners. You cannot escape drowning by climbing into the back of a drowning man. We shall all sink or swim together.

(Applause)

That is why the real contract which the Community offers is for each member to use its margin for manoeuvre to stimulate the growth of all. This will offer benefits in return, because a positive synergic effect will have been created which could, if necessary, be backed by a Community investment programme, as this House has advocated. This would also constitute one means among many of bringing the transport policy to life and strengthening a European network of major communications routes — something which would, it should not be forgotten, benefit everyday life in Europe and help to achieve the large-scale market.

So all things are interconnected, whether in a situation of renewed dynamism or one of slow decline. It is up to us to demonstrate, over the coming month, that the virtues of interdependence and solidarity entered into with full awareness of the consequences are much better than the situation we are in now.

Having considered Europe's credibility and the strength of Europe, I now come to the subject of the institutional dynamic.

Delors

We have seen, ladies and gentlemen, that it is easier to define *what* has to be done than *how* to go about it. I believe that broad consensus can be reached on the goals we must set ourselves, once we are aware of the challenges facing us, our potential strength and the responsibilities we must shoulder.

But as soon as we start discussing *how* to achieve them — let's face it — the difficulties start. My visits as President-designate to the ten Member States confirmed my suspicions on this score. Everywhere I went, questions were raised about the operation of the institutions. Everywhere. Everyone realizes that we cannot go on living in a paralysing state of confusion.

It is true that we have managed to settle family feuds. This I have already stressed, but beyond that, let us be frank: the Community is no longer capable of taking decisions. The Community is no longer progressing.

Unfortunately, the only thing we are agreed on is its impotence. As soon as we begin to consider ways of curing it, opinions differ, to say the least. Here, too, there is a need for clarification, and the Commission has every intention of helping.

It is essential that we get out of the rut of existing practice in relation to the preparation of dossiers, inter-institutional conciliation, and decision-making, or rather the absence of decision-making. What is happening, in point of fact, is that each institution is giving vent to its own frustration by passing the buck to the others.

Many proposals have been made for remedying this *de facto* situation — you know them all — from the Tindemans report to the report of the Three Wise Men in 1979. Parliament was more daring in its approach, producing a draft Treaty on European Union. The European Council tried too, setting up the committee chaired by Senator Dooge to investigate our current paralysis, to make specific proposals for dealing with it, to improve decision-making procedures and to broaden the scope of the existing Treaties.

All of this, you will say, is quite encouraging and promising. But, I feel, on one condition. Because of the range of opinions, which is far wider than many people think, we must at all costs prevent the institutional quarrel becoming in the future what the Mandate of 30 May 1980 was in the past. I hope I am wrong, but I fear that institutional issues may lead to the adoption of diametrically opposed positions which each side then invokes as a pretext for doing nothing. We are all familiar with the story: each Member State makes progress in one direction conditional on assurances or concessions on issues which it regards as essential. We have suffered too much from this diplomacy of linkage, this tit-for-tat approach, not to be extremely wary. Indeed, may I say in passing, we are

still suffering from it — witness the preliminaries to enlargement.

I can assure you, ladies and gentlemen, that the Commission will do all in its power to avoid this new battle of Hernani.

To this end I would suggest a simple two-pronged approach. Perhaps it is too simple, but it is this: let us identify the improvements to be made within the framework of existing rules and then decide what can be done beyond the Treaty of Rome. Neither element can be neglected. We must steer a course between the twin traps of limited pragmatism and precipitate action.

The Commission undertakes to explore all the possibilities offered by the existing framework, the framework provided by the Treaty of Rome, modulated by agreements or non-agreements. It will make full use of its right of initiative to accomplish the priority tasks I have outlined. It will ask the Council to return to the spirit of the second paragraph of Article 149, with which you are already so familiar. It will not hesitate to withdraw a proposal if it considers that its content has been too watered down, or if it notes a refusal, express or implied, to debate it.

(Applause)

Parliament will be fully involved in this experiment, which will serve to test the will of the Member States and the viability of our rules and institutional practices.

Should a difficulty arise between two institutions, the Commission will endeavour to decide whether the root cause is a fundamental difference of opinion between the Member States, or is, quite simply, a conflict of powers and prerogatives — I was about to say 'susceptibilities' — between the institutions. In the first case, it will be for the Council to initiate frank discussions and for Parliament to debate the issue and consult public opinion. In the second case, the Commission will attempt to act as honest broker to ensure that non-essentials — institutional friction — do not cloud essentials — the progress of European integration.

(Applause)

Make no mistake about it, ladies and gentlemen, the operational aspect aside, the venture is an ambitious one. The Commission, too, has its back to the wall. It must find realistic ways of achieving its objectives, it must introduce an element of simplicity into its proposals, it must act in permanent consultation with the other two institutions. But the Commission will not waver in its commitment or compromise the content of its proposal at the outset.

(Applause)

Delors

You will find, ladies and gentlemen, that the Commissioners will be prepared to discuss matters with you seriously both in committee and here in the House. But this will be possible only if we make a determined effort to organize our respective work schedules and programme our discussions and debates.

The game is worth the candle. I hope that, by resolute action, we can convince those of you who are disheartened by the volume of unfinished business, by so many unnecessary complications, by all the secondary obstacles. To my mind the Commission should, as it were, play the key rôle of engineer on the European construction project.

Let me make my position quite clear at the start of our partnership. I am not sure of anything on this issue of how to put the rules of the Treaty to the best use, but I do want to take action. I am an advocate of new horizons for Europe. I am in favour of European Union. But is this sufficient reason to postpone work on schemes for achieving economic and social progress?

The Treaty of Rome must not be regarded as the be-all and end-all. Various plans have been put forward, not least by Parliament itself. The Dooge Committee is working hard to a very strict timetable: an initial discussion at the European Council in March, a full-dress debate followed, I hope, by decisions in the European Council in June. The Commission is playing an active part, inspired by the ideal of a Europe united at last, with resources to match its ambitions. Here, too, it intends to be a driving force and generator of proposals. It will respond to the appeals and hopes of those of you in this Parliament who keep the European flame alive. It will do so by giving serious consideration to your resolutions, opinions and pronouncements and helping to make the essential leap forward which will widen our horizons and reinforce our action.

The Commission wants to make a start right away by instilling a sense of urgency into decision-making, by stimulating action, by making the institutional dialogue meaningful and effective. It is anxious to shoulder its responsibilities and extend its executive rôle under delegated powers which it will demand from the Council. The Commission is prepared to take risks. The other institutions must do likewise.

Time will prove us right. As we recover our ability to act, we shall see that aiming for new horizons was the right approach. Let us do what we can to ensure that by June, the deadline set by the European Council for a debate of the utmost importance, the progress made towards strengthening our Community will justify our determination to press onwards to European Union!

The Commission is well aware of the difficulties which lie ahead and of the problems in abeyance: the successful completion of the enlargement negotiations, the 1985 budget, the disagreement about budgetary

discipline, the integrated Mediterranean programmes, the decisions on farm prices, and the settlement of disputes on the environment and on steel. There is enough routine business here to keep us, Commission and Parliament, fully occupied. But we must make plans for the future, start things moving again to create a Community worthy of the name, underpinned by a renovated economy and an unparalleled social system.

We have three major challenges to meet.

First, the challenge of approach: we must demonstrate that we can act as Twelve, and not simply mark time or muddle through from one day to the next.

Second, the challenge of influence: we must ensure that the Community speaks with one voice and plays its part on the stage of contemporary history.

And lastly, the challenge of civilization: in a world of change, we must reaffirm our values and fuse the sometimes contradictory aims and aspirations of our contemporaries into new constructs.

Let me repeat: we do have the resource, so once again we shall be judged on our strength of character. The maxims quoted by Winston Churchill in 1946 spring to mind:

In war, resolution;

In defeat, defiance;

In victory, magnanimity;

In peace, goodwill.

Would that Europe, in this difficult world, lived up to these tenets and refound her old self-confidence!

But, at the end of the day, this will depend on us, and us alone.

(Loud prolonged applause)

President. — Mr President of the Commission, the unanimous applause following on your peroration testifies to the interest shown — or rather, I should say, to the impression produced by your statement on all the Members of this House.

This statement will provide a valuable basis for reflection and debate in the European Parliament. I thank you warmly on behalf of all my colleagues.

The debate will take place tomorrow, beginning at 10 a.m. The vote will be taken at 3 p.m. — a vote which, with your assent, we shall consider as a vote of investiture.

(The sitting closed at 6.25 p.m.)¹

¹ For the next sitting's agenda, see Minutes.

SITTING OF TUESDAY, 15 JANUARY 1985

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IN THE CHAIR: MRS PÉRY

Vice-President

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

1. *Approval of the Minutes*

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

Are there any comments?

Mr Cryer (S). — Madam President, with regard to the written declarations under Rule 49 of the Rules of Procedure, page 3, whilst I have no doubt that these declarations are quite accurate, the point I wish to raise is the fact that there are some 86 written declarations under Rule 49 which are not yet printed. I do not know whether any of these are listed here but what concerns me is that once a written declaration has been registered then the period of time of 2 months under Rule 49, Section 5, at the end of which the declaration lapses is presumably from the time of entry into the Register. It is expected that those declarations will be printed so that Members can decide whether to support them or not. Unless they are printed, Members have no idea whether they can be supported or whether they should be supported. Therefore, while I am not questioning the accuracy of the minutes what I want is to have this question taken up with the enlarged Bureau so that we are not faced in future with written declarations which have lapsed simply because nobody knows what they are because they have not been printed.

President. — Mr Cryer, your question will be submitted to the enlarged Bureau.

(Parliament approved the Minutes)¹

2. *Decision on urgency*

Proposal from the Commission to the Council (Doc. 2-446/84 — COM(84) 391 final) for a 20th directive on the harmonization of the laws of the Member States relating to turnover taxes — common

system of value-added tax: derogations in connection with the special aids granted to certain farmers to compensate for the dismantlement of monetary compensatory amounts applying to certain agricultural products

Mr Gautier (S). — *(DE)* Madam President! I pointed out yesterday evening that at the December part-session the European Parliament rejected by a large majority a proposal for a twentieth directive on value-added tax. The then Vice-President of the Commission assured us that the Commission would make a statement now. Before we vote on the urgencies, it would be reasonable to inquire whether the Commission abides by its proposal, or whether it bows before the great majority of Parliament and withdraws the proposed twentieth directive on value-added tax, because that was what the Commission told us through Mr Tugendhat in December.

President. — I believe that the Commission is prepared to make that statement.

Lord Cockfield, Member of the Commission. — Madam President, we shall be talking to the committee on this subject later this month and we hope that further progress will be made but we cannot make any definite statement at this moment in time.

Mr Gautier (S). — *(DE)* I gather from the Commission's statement that this question is not urgent, but will be discussed in committee first. Could the President, please note this and postpone the vote accordingly?

Mr Beumer (PPE). — *(NL)* Madam President, having heard the Commission's statement, I would propose that the request for urgency should not be granted, and this for two reasons:

- (a) Consultations are to take place with the Commission.
- (b) The Commission has been asked for further information, which will very largely determine how the report is assessed.

I therefore ask that this request for urgency be rejected.

¹ *Waiving of Members' immunity — Topical and urgent debate (announcement): see Minutes.*

President. — Mr Beumer, urgency was requested by the Council.

(Urgency was not agreed to)

*
* *

Proposal from the Commission to the Council (Doc. 2-628/84 — COM(84) 481) for a regulation laying down implementing rules for Regulation (EEC) No 331/82 on food aid policy and food aid management

President. — I would draw your attention to the fact that Parliament has already placed on yesterday's agenda a report by Mr Galland on the same subject.

Mrs Focke (S), chairman of the Committee on Development and Cooperation. — *(DE)* I move that this request for urgency be turned down. It is exactly as you, Madam President, said just now: Parliament has already placed this item on the agenda. This matter has already been discussed in committee, and in the situation produced by the twelfths rule you now have the Galland resolution on the regulation of food aid, thanks to a unanimous recommendation by the Committee. The Council's request is therefore superfluous. We are already acting on a resolution of our own. I therefore move once again that urgency should not be admitted.

(Urgency was not agreed to)

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Report by Mr Ippolito, on behalf of the Committee on Energy, Research and Technology (Doc. 2-1331/84) on the proposal from the Commission to the Council (Doc. 2-340/84 — COM 273 final) for a decision adopting a research and development programme for the optimization of the production and utilization of hydrocarbons 1984-87

Mr Ippolito (COM), rapporteur. — *(IT)* Madam President, I am the rapporteur on this research programme. It is a good programme and it has been approved by the Committee on Energy, Research and Technology with only minor amendments. But I do not see the need for urgent procedure: this is by no means a high-priority programme. There are much more urgent programmes — such as Esprit, to mention but one — and I would not like to see them disadvantaged because priority is accorded to this one. I do not at all agree that urgent procedure is justified.

(Parliament rejects request for urgent debate)

(Urgency is not agreed to)

3. Introduction of the new Commission (Debate)

President. — The next item is the debate on the statement by the President of the Commission of the European Communities.¹

Mr Andrews (RDE). — On a point of order, Madam President, in view of the statement by Mr Delors yesterday on the People's Europe and calling for the free movement of people and goods, I should like to ask you to ask the President of the European people's Parliament, which this is, and the Commission to carry out an inquiry into why Members of this House have been harassed and detained by immigration officials at Heathrow Airport en route to meetings of this Parliament. I should also like you to ask the President and the Commission . . .

President. — Mr Andrews, that is not a point of order.

Mr Andrews (RDE). — . . . Madam President, I merely want to finish the point of order.

President. — I am very sorry but that's not a point of order.

Mr Arndt (S). — *(DE)* Madam President, colleagues! People have high hopes for this, the first session of the European Parliament in 1985.

President of the Commission, honourable colleague, Jacques Delors! The Socialist Group wishes to express its thanks for the account of the methods and procedures which the new Commission will follow in future in its collaboration with the institutions of the European Communities. We note with deep satisfaction that it incorporated in its statement something which Parliament has repeatedly urged, namely that the Commission reassume the role which was assigned to it by the letter and spirit of the Treaties, and above all by the will of Parliament, especially my group.

If the Commission is to play its part as defender of the common interests of the citizens of Europe, as a motive force — as you say — as the chief engineer, then it must have the declared will to act in complete independence. We in Parliament have repeatedly complained that the previous Commission did in fact do nothing more than act as the secretariat for the Council. You have made clear the Commission's intention of playing an independent role, guided by the Commission's political perceptions, without institutional clashes. You will have the full support of Parliament. In this connection, I should like to address a word to my colleagues in this chamber.

¹ See previous day's proceedings.

Arndt

The Commission has to preserve its independence *vis-à-vis* Parliament, as well as the Council. Under no circumstances may we force the Commission to act as the secretariat of Parliament. I hope that the Commission, and you too Mr President, will — when necessary — point out to Parliament its own inadequacies and its own errors.

Mr President, you have set out Europe's needs in detail and pointed out that in that context it is absolutely essential for us, as the European Community, to regain credibility. I wholeheartedly agree with that.

In this connection, I should like to return to what I said just now about the inadequacies of the European Parliament. Restoring credibility also means streamlining the work of Parliament. Before we, as a Parliament, tell the Commission what to do, we should first earn that right by amending our own ways.

We have delivered opinions on every conceivable issue, and yet in many cases we have been unable to exert any influence which could be said to be demonstrable, or lasting, or publicly recognizable. Instead of working steadily we have indulged in *ad hoc* activism. We have repeatedly adopted urgent resolutions, knowing full well that we should get not one inch further on the matter itself. We have omitted to make any link between our diplomatic initiatives and questions of foreign trade and development policy, or to harmonize them in any way. We have used whole series of urgent motions to improve, distort, and even reverse, sound resolutions which have been carefully and painstakingly prepared by the committees and by Parliament. We did in fact put through with enormous energy a number of budget resolutions, but we then failed to press the Commission and the Council to implement those policies. In many instances we were satisfied with gaining a majority in Parliament, instead of trying to carry on the fight for these political demands outside Parliament in association with national parties, factions and governments, through various associations and through the media.

(Applause)

We have consistently stressed the absolute necessity for question time, but generally it is only a handful of Members who take notice of Council's and the Commission's endeavours to reply to the questions. In far too many cases this House has gone in for short-term crisis management, instead of trying to evolve a long-term political strategy.

Restoring the credibility of Europe means, therefore, that the efficiency of this Parliament has to be increased by:

- not overloading the agenda,
- reducing the number of resolutions,

- streamlining the work of the committees and of Parliament,

so that members have more time for work in their constituencies.

Restoring the credibility of Europe means that Europe may not and cannot be primarily a Europe of agricultural subsidies and free trade areas. It must not be a Europe of entrepreneurs and enterprises. Let me repeat, therefore, what I said on 11 December last year about regaining Europe's credibility: the European idea can continue to evolve only when the great majority of European citizens, and the workers too, recognize that this is not the economists' Europe, it is *their* Europe, the Europe of the ordinary man.

What Europe needs today above all else is a global strategy. A global strategy in which the interdependence of individual political spheres becomes apparent. The President of the Commission has announced that the working programme of the Commission will be discussed in detail at the next part-session but one. For this reason I shall only speak to one basic point: we cannot treat individual areas of policy separately, independently of each other. Whether it be the fight against unemployment, protection of the environment, development policy, questions concerning the consolidation of the internal market, the European Monetary System, the protection of human rights inside and outside the European Community, whether it be the reform of the agricultural policy, the promotion of research, co-determination for employees, the problems of the new technologies, the question of a common policy on the part of the European Community towards the superpowers and the Third World; all these things are inseparably linked.

By dividing the Council into individual specialist councils and by dividing the European Parliament into individual committees and independent parliamentary delegations, as well as by dividing up the areas of responsibility of the individual Commissioners, there arises the danger that only the *ad hoc* necessity of restricted political fields is seen, although everything is inseparably linked to everything else.

Anyone who investigates the question of the new technologies, must take into account the effects on the labour market, on ergonomics, on the less-developed countries and on environmental protection. Anyone who demands absolute protection for his own agricultural products within the framework of the reform of agricultural policy, must also include in his decision the effects on exports of steel pipes and tubes, machine tools and the automobile industry. Whoever ponders the stability of currencies within the European Monetary System, must also consider its effects on unemployment.

We hope that we shall find these interrelationships between policies in the Commission's programme of

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work. We hope that the new Commissioners see their own responsibilities as part of the overriding global responsibility of the entire Commission.

The Socialist Group will assess the work of the Commission on the basis of the attention paid to what the group considers to be the main essentials. My group has identified four elements as the corner-stones of European policy:

- the fight against unemployment and for social justice,
- the fight for human rights and the protection of the citizen,
- the fight for peace, security and disarmament,
- the fight against hunger throughout the world.

Mr President, the Socialist Group is extremely grateful to you for the way in which you explored the fundamental aspects of Europe's strength. Let me give an example: we in Europe must view with alarm the way in which the two superpowers, the USA and the Soviet Union, negotiate in Geneva on aspects of security and disarmament which primarily affect Europe, affect our fate, without Europe's sitting at the table as an equal in the negotiations. We agree with you that Europe must develop greater self-awareness and power in order to play an independent role in international politics. Europe can do this, but there are pre-conditions and Europe must remember its own strength and recognize it.

Let me give an example. It is generally held that the athletes of the United States of America dominated the 1984 Olympic Games in Los Angeles. The number of medals which they obtained put everyone else in the shade. But anyone who takes the trouble to compare the number of medals gained by the athletes of the Member States of the European Communities with the number gained by the United States, will find that the athletes of the European Communities gained more medals than those of the United States.

Europe is ours. We therefore agree wholeheartedly with the President of the Commission: if Europe presents a united front and speaks with one voice, it can face the superpowers as an equal. This is particularly true in the economic sphere. But we can only exert our economic strength by pursuing at European and national levels an industrial policy which coordinates national policies and goes beyond the present purely sectoral and defensive initiatives. But at the same time we must take care of the traditional industries like coal and steel, textiles and shipbuilding. We must develop a common research and technological policy, jointly, so that we shall then be strong enough to be able to create new jobs, in competition with the other major industrialized nations. We socialists start from the premise that a rational, future-oriented, technological

policy must begin with sociological and social needs. That means that we must examine very carefully the associated effects of the new technologies on the labour market and on the rights of workers. We should welcome, Mr President, the setting up of an independent committee of inquiry at European level, to inform and advise the institutions of the European Community on the evaluation of technology, and especially on the consequences of technological change, such as the effects on the quality of employment in manufacturing industry, possible improvements in the quality of life in the consumer sector, the effects on the environment and the consequences for democratic and social structures.

We agree with you that any reflection on the true strength of Europe must include the consolidation of the internal market. We think it very important that e. g. competition law should not be used just to bring about integration, it must also be used to bring about equality of opportunity for workers as employees, consumers and citizens.

For us the creation of an internal market also means a general, unconditional right of residence for all EC citizens in all Member States. It means the abolition of personal checks at the internal frontiers of the Community. For us the creation of an internal market means the right of EC citizens to vote in local elections in all the Member States. It means continuing to press for the accession of the EC to the European Convention on Human Rights. In connection with the creation of an internal market we Socialists are not just thinking of the balance sheets and profits of private companies, we are thinking primarily of the recognizable benefits for individual citizens in the common market.

The majority of my group have supported the consolidation of the customs union into a really free Community market. That means the abolition of technical barriers to trade, the abolition of excessive customs formalities for imports and exports and the simplification of customs formalities for trade, industry and the private citizen. But once again I should like to remind you that the quality of economic and industrial democracy in Europe depends on the rights of workers and their participation in economic decision-taking. Anyone who overlooks, or consciously tries to overlook, that fact — and here I am wittingly addressing the conservatives of Europe — must be made aware that without these elements Europe has no credibility, that there is no possibility of the man in the street identifying himself with Europe.

You see, Mr President, the strength of Europe's role is — as you said — inseparably linked to the strengthening of the European Monetary System. Although the majority of the Socialists support this view — a minority are of a different opinion — I must point out that, as far as we are concerned, there are limits to this question. The majority of my group have actively

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advocated the participation of all the Community countries in the European Monetary System and also welcome the participation of third countries in initiatives in the monetary sector. The majority welcome the gradual extension of use of the ECU in the Community and the increasing use of it in the financial markets for lendings and borrowings, as well as for bond issues. But we do have our problems. Yesterday you spoke of the introduction of the ECU as a fully independent parallel currency. In our opinion economic integration, especially the convergence of the economic policies of the Member States, has to be developed far more, so that we first improve the balance between the stronger and weaker countries of the European Community. This is a very important point. Europe will not be able to play its economic role properly until we have achieved a certain amount of convergence between the economic policies of the Member States. The Community cannot and must not lead to the enrichment of the rich countries at the expense of the poorer ones.

The Europe which we Socialists want is a Europe of solidarity. A Europe which is not just concerned with seeing how much money it gets from or has to pay into the kitty. That is why we set so much store by an integrated programme for the Mediterranean. This programme should be used to close the wealth gap between northern and southern Europe, to prevent it from widening further. That is why, for us, an integrated Mediterranean programme is not primarily a programme for supporting the agricultural policy for the Mediterranean, it is first and foremost a programme whose emphasis lies on the development of industry. That means the development of industries for the processing of agricultural products and foodstuffs and the production of agricultural machinery; a programme to promote agricultural industrial cooperatives.

That is why convergence has to include the improvement of social security. At a time of high unemployment conservative member governments are using the present crisis to reduce the level of welfare benefits. In many Member States there has been a definite reduction in social expenditure. We shall only be able to achieve credibility and get the man in the street to identify with Europe if we see it as our European duty to prevent this dismantling of social benefits. Ordinary people must be made aware that Europe does not lower living standards, it raises them to levels of equality. People must be able to recognize that Europe is reducing social inequality, and not — as has unfortunately been the case in recent decades — increasing it.

We Socialists have no illusions. Each Member State considers that its economic priorities, the strategy it follows and the measures it adopts, are its *own* affair. But the majority of my group start from the basic premise that a policy of integration does require at least partial abandonment of national economic powers in favour of Community powers and some subordi-

nation of egotistical national economic and political interests to Community interests.

This means that it has to be made clear to the Member States, who today consider price stabilization to be the sole economic aim, that even the advocates of a European Monetary System must at least pay the same amount of attention to the requirements of the labour market.

We Socialists are wholly in favour of price stability. But if price stability, monetary policy, result in the destruction of jobs, of men's destinies, then we think human interests take precedence over monetarist doctrines.

The European Socialists will not accept that Europe has to be split into two rigidly opposed camps. We all want to help to heal the division between the peoples of the European continent and to bring all the people of Europe closer together. That is why, like you, we welcome the resumption of arms talks between the Soviet Union and the USA. The aims of our policy are as follows:

1. to reduce tension between East and West,
2. to restore the process of negotiation,
3. to strengthen the role which the States of Europe play in these negotiations,
4. to reduce the nuclear arsenal and to create a balance of power at the lowest level possible.

We shall resist with determination any attempt by the conservatives to abuse the new committee for security and disarmament by using it as a forum for advancing arms policies and strategic military objectives. Disarmament, the reduction of conflict and development policy are the foundations of any policy of peace and security.

By Europeanizing defence policy, we shall endeavour to give the countries of Western Europe the right to participate in any decisions which affect their existence. For us, this means strengthening Western Europe's influence on the Atlantic Alliance and the gradual introduction of Western European sovereignty in matters of disarmament.

Europe's strength can also be seen in aid to developing countries. In future we shall play a decisive role in the reform of the international monetary system and the solving of the indebtedness crisis to the benefit of the developing countries.

There are many ways in which Europe can play a decisive role in international politics: through its foreign policy, the many cooperation treaties, the Lomé Conventions and the harmonization of foreign policies within the framework of political cooperation. We

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must exploit this important basis for strengthening the European role.

As regards our relations with the United States of America, we know that the Americans are not only politically the most important partner of European Communities, they are also our strongest trading partner. The trouble over steel exports and trade in agricultural products, the restrictions which the USA imposes on transfers of technology, make it necessary for us to develop a clearly defined position as regards the United States. Nobody can possibly be interested in a trade war with the USA. On the other hand the European Community must also strengthen its independent role in economic affairs. Only when the United States, and we in Europe as well, realize that economically the European Community is at least as strong as the United States, will it be possible to achieve an equal partnership. For these reasons we support the President's declaration in this sphere.

The President, Mr Delors, has made it clear that he wishes to avoid conflict between the institutions. We can understand that, but in view of the present political climate in Europe, a climate of stagnation and dissatisfaction, we must do everything possible to set the decision-making process in motion once more. We cannot wait for the European Treaties to be revised, or not revised, as the case may be. We must reach decisions on the basis of the existing Treaties. That means that where necessary the existing Treaties must be exploited to the full, for example on the question of majority decisions in the Council of Ministers.

Like you, the great majority of my group reject the principle of unanimity in the Council of Ministers, which is contrary to the Treaty of Rome, and even the minority in my group, which want to retain the right of veto as a matter of principle, are unanimous that it should not apply to everything, but only where the vital interests of a Member State are involved. We can only wish you the best of luck along the way you have described so that we can finally overcome this blocking of important initiatives by the Council. On this point there are no differences of opinion in my group. The leader of the Labour Party, Neil Kinnock, as well as the leader of the Pasok, Andreas Papandreou, have both called for some kind of new Messina Conference to overcome the blockade in Europe. It may be that it is possible as a long-term process to convince those nations which still have doubts about allowing the European Parliament to play a greater part, but something has to be done *immediately*. That can be done on the basis of the existing Treaties. Our Greek, Danish and British friends have a special part to play here. They too are aware that as Members of Parliament, we cannot be satisfied with the role of the European Parliament. Whatever their reservations, all the national delegations in my group, for example, are unanimous that Parliament as a democratic institution has a key role to play alongside the national parlia-

ments in the democratic control of the European Community.

(Applause)

They are unanimous that Parliament's powers in the budget procedures and the legislative process must be recognized and that control must be exercised over the Commission and the other institutions of the Community. The Socialists unanimously agree with the President of the Commission that the Commission has to exploit to the full its functions as protector of the Treaties and in the drafting and implementation of Community decisions.

Mr President, the Socialists want the Commission to be a stimulus to the Community, a motive force, or, as you said, the chief engineer, who ensures that the machine begins to function again. Your statement has given us hope, and we shall do everything we can to help you. We do not want any conflict between the institutions either, but the refusal to grant discharge for the 1982 budget and the rejection of the 1985 budget have shown that in future this Parliament will consistently exercise control over the Commission and the Council.

We wish all members and President Delors success and good fortune along the way which, according to his statement of yesterday evening, he will follow in the future.

(Applause)

Mr Estgen (PPE). — *(FR)* President Delors, sir, may I congratulate you first of all, on behalf of my group, for the way in which you have raised the curtain on your new Commission. We congratulate you most sincerely. Within a very short space of time you have organized your team and allocated the portfolios smoothly and wisely. Your Commission has not, unlike others before it, fallen victim to damaging wranglings on the part of the various governments. I do not doubt, Mr President, that such manoeuvres have occurred, but you have treated them with lofty disdain. You have held fast, and we are grateful.

(Applause)

In short, this Commission has been set up with dignity and without a 'night of the long knives'. My group is also very pleased, not to say delighted, by the new step you have taken in appearing here before this House at a ceremony of investiture which we have long been calling for and which we had explicitly demanded this time. We are deeply appreciative of this gesture of esteem and respect towards our institution, embodying as it does a political significance to which we are acutely sensitive.

Mr President, my group is not small-minded. Please do go before the Court of Justice in Luxembourg to

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declare your personal and legal commitments as required under the Treaty. We are quite capable of distinguishing between the individual moral responsibility of the members of your Commission, on which the Court of Justice is empowered to pronounce, and the collective and political responsibility of the Commission as a whole, for which it is answerable to this Assembly. You have come before this Assembly, as you yourself put it, to embark on a dialogue of mutual trust and meaningful work for Europe.

The chilly weather and diplomatic climate which prevented you from visiting the Court before this House have thus made for political warmth in your gesture of declaring your political commitment to Parliament before making your legal commitment. You have come first to obtain the confidence of Parliament before making your commitment before the Court. Thus you put political understanding before the ceremonial required by protocol. This, Mr President, intensifies the warmth and sincerity of my group's welcome to the new team you have presented to us.

This warm welcome became virtually an *entente cordiale* yesterday as we heard, considered and appreciated your speech, which we deem to be a statement of general political thrust and not a formal programme for the next year or more. We await your formal programme and shall examine it in March carefully and cautiously. We shall measure it against the broad lines of your inaugural speech yesterday. I would describe this speech both as an ambitious but realistic and sincere political statement, and as a statement of personal commitment — resolute, and thus hopeful and worthy of our confidence.

And so I shall confine myself to considering your intentions from the point of view of the reciprocal responsibility of our two institutions, their feasibility under the Treaties, and their credibility in the eyes of the peoples we represent here and of our major partners, both in the world as a whole (mainly the USA and Japan) and in the countries of the Third World.

You may be sure, Mr President, that my group takes what you have said very seriously and will consider conscientiously the very pertinent questions which you have put to us.

Yesterday you delivered an extremely important message with an energy which was both brave and reasonable. You did not fall into the trap of rhetoric and vague promises but kept precisely within the framework of the existing Treaties, as is only to be expected given that the Commission is essentially responsible for custodianship and enforcement of the Treaties. We note that you propose to make use of all the possibilities offered by the Treaty. We hope this is precisely what you will do, sir.

Above all you have correctly identified the great challenges of the moment: revitalization of the economy

and social progress, the fight against unemployment, and above all the full achievement of the internal market and the major problem of agricultural spending and the budget. We ought, I believe, to follow up quickly in concrete measures the very real efforts and progress made in Stuttgart and Athens towards defining new policies and initiatives aimed at restoring the Community's industrial competitiveness. This means we must advance, at once and as far as the Community's circumstances currently permit, towards realization of the internal market over matters such as standards, public contracts, legal frameworks favouring business cooperatives and groupings, and the reduction of border formalities which are so costly, so unpopular, and which so damage the Community's image in the eyes of its own citizens.

We must make the citizens of Europe and particularly its youth able to understand Europe again, able to identify with it and support it.

This is the lesson which will engender a new political will in governments and administrations.

Along these same lines, let us think for a moment of the impact on public opinion which would be created by a truly European press and television coverage, something we so sadly lack. We should without delay give deep and serious consideration to the objective of building Europe, as you said in what I would call the 'social affairs chapter' of your speech yesterday. Like yourself, we Christian Democrats want no backpedalling on social affairs. On the contrary, we wish to work with you to achieve even greater social justice in our Community, though this should not detract from the efficiency and competitiveness of our businesses, particularly the small- and medium-sized undertakings in our Community.

My group is more than ever convinced of the need to prepare actively for the transformation of our economic Community into a European Union of greater strength, solidarity and efficacy. The European Parliament set out an act of establishment for such a union in its draft treaty on European Union which was adopted by a large majority of the House on 14 February 1984.

Mr President, sir, it is my earnest hope that you, and we of the European Parliament may together succeed in accomplishing a historical act, by working with your Commission to make our economic Community into a truly political Community, for this is the real challenge which now confronts us. This is why the Community is not able to solve the great economic problems of industrial and social revitalization, the great human problems of unemployment, the great institutional problems, and the great political problems of the Community's expansion to include Spain and Portugal, for enlargement must also mean the strengthening of the Community and, at all events, not a weakening of what has been achieved so far.

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The great issues of world politics and the Third World require us to make great efforts, both with our allies and in competition with our rivals. It is truly regrettable that we have not yet been able to progress beyond economic problems to the creation of true political unity, despite the many initiatives made in that direction. I need only remind you of the moves in the Council by Messrs Genscher and Colombo, this Parliament's draft treaty on European Union, the valuable work by the Dooge committee. But there is still no real European awareness among the governments of certain Member States.

It will be the task of the new Commission at last to spearhead the breakthrough to a truly European dimension. We must not forget, however, the firm gains registered by the previous Commission under President Thorn which, despite the serious accusations levelled against it, was nevertheless responsible for the creation and development, in extremely difficult conditions, of the European Monetary System, one of the Community's finest and most valuable achievements.

We have been greatly heartened by your determination to move towards a true European currency. There too, sir, we shall march and fight alongside you.

Of the various Commission dossiers, you have taken responsibility for monetary affairs, and we are very happy about this. It is a field you know well, are respected in, and believe in. Yet monetary affairs are perhaps the topic on which you have been the least ambitious. You have asked three questions of this House. On behalf of my group I am able to answer yes to all three of them.

To the first question we say yes: the spectacular development of the private ECU means that there must be an end to the watertight division between the private and the official ECU. The ECU is no longer a Eurocrat's dream: it fulfils a real need. As we progress towards economic integration private savers, as well as industrialists and businessmen, feel the need for a single currency. This growing demand will not be halted, but will impose itself on the authorities whether they like it or not. For it is one of the lessons of monetary history that anything new has always been pushed through by market demand against resistance by the authorities.

To the second question we also say yes. We do indeed ask too much of the dollar. It is not normal that the world currency should be that of just one country, managed and controlled as the interests of that one country require. The end result of that is that the dollar asks too much of us. We thus welcome all the Commission's proposals and all moves towards strengthening the role of the ECU so that it may become a truly international instrument of payment.

To your third question our answer is again yes. The strengthening of the European Monetary System and

the ECU works in favour of convergence, just as convergence works in favour of the ECU and the EMS, and this trend is favourable to expansion and job creation, which is also one means of combating unemployment. But if we are to achieve this economic and monetary union we cannot disregard the institutional implications in the second phase of the European Monetary System. Doubtless we would not wish to. Mrs Thatcher has just supported the idea of the EMS. The UK Government, against its principles, has just decided to support the pound sterling. There is therefore a minimum acceptable exchange rate. The support mechanism contained in the European Monetary System makes this objective infinitely more plausible. We hope, sir, that you will succeed in persuading Her Majesty's Government that it is now time to join the European system.

As we have said time and time again, we know the cost of being 'half a Europe'. You are looking to a complete Europe, within the Treaties of Rome and beyond. All power to you! You will find us already there, Mr President. We are there and we await allies.

If my speech so far has seemed a little too fulsome, I would utter a word of warning, Mr President. You yourself have said that fine words get us nowhere. We are politicians and thus, by definition, critical and suspicious. All the more so in that we have already, on many occasions, been charmed by fine words from this rostrum which have only rarely been followed by appropriate action. Too often we have received the thin end of the diplomatic wedge. One of this Parliament's most important duties is certainly the supervising of the various Community institutions. You may be sure, sir, that this House will continue to keep a critical watch on your Commission, as it has done on previous Commissions. You are currently enjoying the famous hundred days' grace, the period allowed for you to present your programme of action before this Parliament. It is on this programme and the way in which it is implemented that my group will judge the new Commission, for in the last analysis Parliament will always have the Commission it deserves. Your predecessor more than once came close to earning a motion of censure from this House.

Please believe that this newly elected Parliament is really eager to see the Community emerge from its current lethargy, and to see your 'engineers on the European construction project' get to work. We should like to see your Commission as a focus for convergence, a centripetal force opposing, neutralizing and destroying the centrifugal force exerted by the Council, which embodies selfishly national interests. It is essential that we should, by close cooperation between this Parliament and your Commission, succeed in restoring the Community to normal operation and that we should secure a further dimension to the existing treaties, 'beyond the Treaty of Rome' as you put it, for given the existing socio-economic and ecological problems, the instruments and procedures used

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in the Community hitherto mean that we are doomed to decline and ultimately to complete disintegration. Our two institutions should thus conclude an alliance — maybe not a holy alliance, but a wholly desirable alliance — in mutual respect for our respective roles, culminating in what I might almost call a constructive intrigue on behalf of Europe.

And in this context I have a number of questions to put to you, Mr President, which require an unequivocal reply. The spirit of your address has already given some replies: it was music to the ear, and you have nothing to lose in saying it all again!

Our first question is this: is your Commission prepared to inform Parliament of all its draft regulations, directives and decisions before forwarding them to the Council?

Second question: is your Commission truly prepared to accept and act on Parliament's resolutions amending your drafts and to forward to the Council the drafts thus amended?

Third question: when the Council rejects a resolution of Parliament or announces such a rejection, and when there has been no consultation between Parliament and Council, would the Commission be prepared to demand a new consultation and a decision from Parliament?

Finally, my fourth question: would the Commission withdraw a draft if the Council sought to reject it or make sizeable amendments to it?

There you have a number of questions, Mr President, which form the essence of our mode of future cooperation. You will observe that we have taken note of your intention to seek agreement with the European Parliament as far as possible and in this context you cannot fail to realize, Mr President, that Parliament attaches the greatest importance to the subject of budgetary discipline. The painful and recurrent problem of budget contributions must at least be solved. Admittedly, now is not the time to talk about farm prices — we shall come back to these in detail when you present your programme — but our group attaches special importance to them and finds it wrong that farmers alone should bear the entire cost of the necessary reform of the agriculture policy. We want to see viable family holdings under an agriculture policy which can guarantee farmers an honest and honourable living.

Allow me, sir, to pay tribute on this occasion to your predecessor Mr Gaston Thorn who always rallied to the side of Parliament against the Council particularly in matters concerning the budget.

I am confident that you will continue along the same road, for we are fighting the same battle, since identical trends are seeking both to reduce our budgetary

powers and to reduce your right of initiative in this matter.

We know that you yourself are not responsible for the 1982 accounts, but your institution did not receive this Parliament's discharge. The 1983 accounts will be up for discussion in April. We need to know where you yourself stand on these problems, for we are determined to stand no further nonsense in this area. We want one Europe with you, a revitalization of this Europe, but this will not come about unless it is governed and its decision-making process organized around the Commission whose members will one day be elected by this Parliament. Perhaps the Commission will then include one or more women!

With these aims in view the Christian Democrats express their confidence in you and your team. Building Europe is a question of competence, certainly, but also and more importantly, a question of responsibility and conviction. You have said yourself that the Commission has its back to the wall. This is also true of the Parliament, Mr President. Europe was created by responsible politicians who dared to take risks. Take risks, Mr President, we will not deny you. We again need someone with vision at the helm in Europe. We believe you have it, and we base our hopes on this.

(Applause)

IN THE CHAIR: MR SEEFELD

Vice-President

Sir Henry Plumb (ED). — Mr President, may I, on behalf of my group, welcome the statement which the President-in-Office of the Commission made yesterday, for his message of hope and that of realism. We are all aware, of course, that the Commission and you, sir, take over at a very difficult time when the Community has no agreed budget for 1985 and the reasons for Parliament's inability to accept the draft budget are clear and well-known. What was presented to us in December was simply not a budget for 1985 but rather a rag-bag of incomplete compromises between the various participants at the Council of Ministers. Until this problem can be resolved there will be substantial restrictions upon the development of new policies and new initiatives. Therefore, I urge you and your colleagues, Mr President, to use every opportunity to bring home to the Council of Ministers the seriousness of the situation that has been created.

The immediate cause of the Council's inability to present a proper budget for 1985 was the predicted level of agricultural expenditure for that year. I very much welcome the views of Mr Delors on this point in his introductory speech yesterday.

Sir Henry Plumb

The common agricultural policy has been a remarkable success over the years of its existence. The fact that we in Europe now take our food supplies for granted is a mark of the common agricultural policy's successes. On the other hand, it is simply not possible to continue indefinitely with the sort of open-ended guarantees which the CAP has until now provided. The decision on milk quotas of March 1984 was a first step towards recognition of this fact. I am gravely disturbed that even now there are administrative difficulties and inconsistencies in the application of these necessary measures. In this the Commission has an essential role in ensuring the fair and the universal observance of milk quotas. To ensure that agricultural spending stands in some rational relationship to the benefits derived from it, it will be necessary for there to be a better market management linked to the restraint on farm prices. Once again, in this, the Commission's role is crucial.

Mr President, farmers are well-known for their resilience but they need a clearer sense of direction than they have had hitherto and on this I was particularly delighted to hear what Mr Delors said yesterday. One must consider whether now is not the time for the Commission to give serious thought to working out a long-term farm and food policy. For far too long ministers have sought to outbid each other in the Agricultural Council to secure some particular concession; some particular victory for themselves and their supposed clients; for their national farming industry. Ministers have taken the view that a difficult decision taken now is my problem but a catastrophe next year may be somebody else's. Therefore the Commission and the Parliament can and must take a stand against the easy postponement of unpleasant decisions. On this we count on you, Mr Delors, and were encouraged by your words of yesterday.

I also welcome the positive remarks of Mr Delors about the necessity to realize a genuine internal market within the Community. This has been an area where short-sighted national selfishness has hindered the Community's progress for much too long. We are making progress, albeit slow. The old Commission and the Council — and it is as well to remind ourselves of these facts — largely thanks to Mr Delors in France, did approve the critical 15 directives for harmonizing technical barrier laws, including the new commercial instrument and the single administrative document. The citizens of Europe are right to be sceptical about a Community that is incapable of harmonizing and, where necessary, abolishing the customs and other formalities which hinder the free movement of goods within our Community. Yet those same citizens do not want harmonization for harmonization's sake.

However, a genuine internal market is, of course, not the end of the story but only the beginning. The success of the United States in asserting its economic pre-eminence in the world was largely due to its vast internal market. The European Monetary System and

the European currency unit, the ECU, are useful steps along this road. I hope that the time will not be long delayed when sterling joins the exchange rate mechanism of the EMS.

(Applause)

On the simplest level of self interest, the events in the currency market over the past few days would, in my opinion, have been less volatile and traumatic for holders of sterling if it had been a full member of the EMS.

The nations of Europe when they act together can do infinitely more to stimulate investment in employment than they can by acting separately. Our Community, of course, is founded on the premise that we must hang together or we will hang separately. Nowhere is this truer than in economic policy.

The European Council at Fontainebleau set up two important committees, one on the people's Europe and the other on institutional questions. I hope that this Commission will be able to further the proposals on both these committees. A people's Europe, of course, will merely appear pathetic unless it is accompanied by genuine integration and progress of the kind that I have already outlined.

The *ad hoc* institutional committee will naturally need to take the proposals of the draft treaty on European Union as an important basis for its work. It will be difficult for anyone to allege that the institutions of the Community could not be improved. Parliament is ready to play its full role in any such improvement, and I hope, and I am sure, the Commission will do likewise.

In my comments today, Mr President, I have, perhaps, dwelt too much upon the problematic nature of the Commission's task. There are areas in which some progress has been made and can, perhaps, be expected to continue in the future. Information technology, biotechnology and energy conservation are all areas in which the Community, acting as a whole, can usefully coordinate and bring together the efforts of individual Member States. I hope very much that the coming accession of Spain and Portugal will serve as a happy omen for the success of this new Commission's period in office.

Now, Mr President of the Commission, we look forward to the opportunity to express our confidence in you when you present your full programme in March. The Treaty gives you a distinctive role in the Community. You must show yourselves, together with your fellow Commissioners, capable of fulfilling it.

(Applause)

Mr Cervetti (COM). — *(IT)* Mr President, the Italian communists, as one of the major progressive pro-

Cervetti

European forces, are fully engaged in the political struggle being waged in Italy and in Europe. Our unflinching commitment to this cause is generally acknowledged.

We, in turn, Mr President of the Commission, have no hesitation in acknowledging your European commitment and convictions which were further confirmed by some of the statements you made here yesterday.

You stressed the need to do everything possible to bring Europe out of its present stagnation. That is as it should be. Indeed, we recognize in your statement the conviction, which we share, that the Community must be made to move forward along the road of unity and autonomy and play its part in the advancement of peace, civic and social progress and democracy.

You pointed out forcefully

that, at a time when there is so much unemployment to combat and so much poverty to succour, the world has better things to do than to engage in an arms race.

That, also, is very true. And that is why we should have expected much more emphasis on the contribution that Europe — not least in its own interest — can and should make by direct participation in the development of the dialogue now resumed in Geneva on *détente*, world disarmament and the banning of weapons from space.

That contribution must be made, and we shall continue to say so to the Commission and to the Council and its present Italian Presidency. But that is not all. Listening to you, Mr President of the Commission, one could not escape the impression that a number of governments are doing their best to tie the hands of the new Commission. Let me therefore say that it is only by adopting an unambiguous and courageous stance that the new Commission will be able to play to the full its proper political role and find the necessary allies among the member countries, in European public opinion and in this Parliament.

There is no room for self-doubt. It is true that Europe is in deep crisis and faces the danger of a much enlarged Community torn by parochial interests. We know where to lay the blame for this state of affairs. But such active and passive resistance should serve precisely to inspire greater effort and a clear and precise statement of the determination and practical proposals for reform.

We thus look forward not just to general declarations of intent, but specific and realistic programmes that can provide the answers to the major issues before us: from reform of the Community along the lines indicated by Parliament in the draft treaty of unification to the enlargement by accession of Spain and Portugal; from the preparation of a plan to create employ-

ment to the launching of specific projects for industry, information, communications, transport, high technology and scientific research. We expect reform of the common agricultural policy and the formulation and implementation of a new social policy, with reform of working hours, standardization of social security systems: a policy to be drawn up with the active participation of the partners concerned. We hope to see a strengthened European Monetary System, and the ECU raised to the status of an international currency; we want implementation of the integrated programme, we expect progress towards a conference on the Mediterranean and a much greater and effective commitment to combating hunger and promoting development and cooperation in the Third World.

Nor can we forget the urgent issues of environmental protection and enhancement, the problem of drug abuse, the rights of immigrants and the Immigrants' Statute, the condition of women.

Considerable resources are needed to meet all these aims and an urgent, indeed immediate, necessity is for the Commission to propose an appropriate increase of own resources in the 1985 budget.

It is in relation to all these issues that I have barely had time to list, and by the practical programmes proposed to deal with them that we shall be judging case by case, the new Commission's political resolve. On our part, we shall be working for an understanding between the workers and all the democratic pro-European economic, social and cultural groups, in the conviction that such an understanding is the condition of Europe's renewal and unification.

Within this Parliament we shall continue to promote, in the spirit of unity, the broadest consensus among all the democratic forces, and more particularly those of progress and of the Left. We shall seek the closest cooperation between Parliament and Commission. It has been said in the debate that the Commission must not become the secretariat of the Parliament. We agree, and would point out that it would be even more wrong if it became the secretariat of the Council. Each should fulfil its part, in accordance with the powers appropriate to it. But today, with the imperative need to reverse the Community's decline, the stress must be laid on cooperation between Parliament and Commission. That would be one, and important way, of expressing our desire for renewal.

To conclude, Mr President, our vote today is intended as a critical stimulus reflecting our profound conviction that it is in the vital interest of our peoples and of Europe that workers, young people, women and those who are active in the field of culture should become increasingly the agents of change, imposing with ever greater strength upon Europe and the world their desire for peace, liberty and progress.

(Applause from the Communist and Allies Group)

Mrs Veil (L). — (FR) Mr President, each new Commission represents a new life for Europe. In this European edifice of ours where each of the institutions has to create its own image and can fashion its role, the Commission's style, self-projection and will, as expressed through its President, play an essential role.

And so it was not just curiosity which we felt yesterday as we waited for your speech, but truly hope and emotion. We have forgotten the disappointment over the appointments, the absence of a prior consultation with this Parliament, the absence of any women in this Commission and the inadequate European prior experience of certain Commissioners. For you, Mr President, were in no way responsible for that.

On the contrary, since your appointment you have made every effort to ensure that the new Commission takes up its duties in the best possible conditions: allocation of the portfolios, prior consultations, and your agreement on the form of this debate which you have consciously accepted as an inaugural debate.

All this, before you had even spoken, bears witness to your desire for efficacy and your commitment to Europe. I know, and I understand, that your speech was perforce merely an exposé of your broad policy lines. For reasons of time, but also of method. It would have been premature, and presumptuous, to try at this early stage to go into the details of your programme. You have not yet been able to hold all the necessary discussions with your team to draw up a programme which must be jointly agreed on by the Commission as a whole.

Furthermore, you are too familiar with the complexity and current difficulties of the Community to present us with miracle solutions, as a conjuror pulls a rabbit out of his hat. If that had been the case we should have been extremely uneasy, and we prefer to see you approach your new task with prudence and circumspection. Making no concessions to lyricism or rhetoric you have outlined to us in simple terms the priority policy thrusts which the Commission has agreed on and the methods it intends to use to make Europe credible and strong. You have even described your plans as a blueprint for action.

No one who previously still had doubts can now deny that you have a high perception of the role of the Commission. You have already stated its nature. It is not to be the General Secretariat of the Council, but the central engineer of Europe.

We can only rejoice at this, for in the past the gradual weakening of the Commission has been largely responsible for the way in which the Community has become bogged down. You must manage to stop the Council from being even more stubborn than you believe it capable of. You have some experience of that institution, but when one puts on a different hat one discovers undreamed-of realities.

In order to push through your wishes you count on the Commission's independence and the clear affirmation of its views. This independence and strength which the Commission enjoys have always, to the Liberal Group I speak for, seemed to be indispensable, even priority pre-conditions for the Community's progress and the smooth running of what it has already achieved.

Consequently we cannot but be glad at the importance you attach to this, as indeed the letter and the spirit of the Treaties require. I can assure you of our support in your efforts to preserve the achievements and overcome the problems.

I say this because you will need this support, not only my group's, but that of Parliament as a whole, in order to overcome resistance from the Council, defeat national self-interest, find the strength to forge onwards, convince European public opinion but also to give authenticity or credibility to the Community as an autonomous political entity both inside and outside its frontiers.

You have made little mention of this necessary support and cooperation from Parliament, and I regret the fact. Admittedly, there is a subtle balance among the institutions, a delicate three-way interaction. And power has so far rested with the Council, or rather, more and more, with the European Council, which is not even a Community institution. But do not underestimate the role of Parliament, particularly the assistance it can give you. You will need it, as indeed it needs the Commission. We need to fight together, for it will be a relentless struggle if we are to achieve together this European Union. Our vision of it, yours and ours, is necessarily different from that of the Council which reflects the views of the governments.

And I shall quote just one aspect, the most significant in its implications, which is the importance we all attach to the principle of majority voting.

You have expressed the wish that there should be no ambiguity. I share that wish. You have told us that the Commission, being responsible for its proposals, would not tolerate their content being altered right from the start. I understand you, and you will have the opportunity of explaining your views on this point later. But Parliament too has its responsibilities. The gradual transfer of certain national powers to the Community must not occur at the expense of a weakening of democracy. This is the point of the direct elections to our own Parliament. In no way would I belittle the democratic spirit which inspires you and your colleagues. But whatever the personality of the members of the Commission and their working methods, your work cannot boast of any democratic legitimacy, for you lack this representativeness which only election by the voters can confer.

I think it is appropriate to remind you that thanks to the procedure of legal consultation, thanks to our

Veil

Rules of Procedure and the use we have made of them we have made progress in the gradual exercise of a true legislative power. We have clearly stated this ambition in a succession of reports and have actually embodied it in the draft treaty which we adopted for presentation to the national parliaments. The Dooge committee, albeit with a degree of ambiguity, seems disposed to recognize it in principle.

As regards the main thrusts of policy, you were of course only able to outline your priorities. How could one fail to endorse the aim of reversing within two years the terrible rise in unemployment when one believes, as we do, that Europe must belong to the Europeans, the men and women who have put their trust in the fulfilment of this ambition and who have reason, today, to doubt whether it can be attained.

The emphasis given to the internal market, the 1992 target for the final elimination of all frontiers separating our countries, the priority of creating a true economic and monetary area, your confidence in the multiplier effect of the budget and of Community measures — so many designs and hopes which we are determined to help you realize.

To do this you are pinning your hopes not only on the harmonization of legislations but also on the convergence of economies. Here too, we await further details, particularly as regards the method to be used to achieve harmonization, so that the Community rules do not further complicate over-restrictive national legislations at a time when the international context and the rules of competition call for greater flexibility and relaxation of constraints. Here it must be said that fashion, or an overly superficial analysis of certain situations, may lead, as you have said, to 'throwing away the baby with the bath water' and to abandoning the efforts towards progress which have right from the start been the hallmark of the Community's work and which have been responsible for its success and its worth.

Like you, we think that justice and right are values which we cannot sell off cheap.

But it is not by introducing further rigid rules that we shall create jobs and enable our economies to make up the ground we have already lost to the USA and Japan. Take care that in seeking to harmonize systematically the social systems which are linked to cultural, economic and social differences you do not dangerously overload the ship. I fear that you may have been too optimistic here. If we really want to turn the tide of unemployment within two years, we must work together and pool our efforts. But this is still not enough: we must also work harder and better.

On this point, I am sorry that you have not left more room for research, for we shall need to use and create all forms of intelligence, all the know-how which Europe can muster if Europe is to find its place in a

world already launched on the conquest of space. It is a matter of urgency that Europeans should realize that they do not live in a closed world. Nor will it be enough for Europe to dismantle its partitions, by removing at last all the barriers which should have gone long ago.

Europe cannot live in isolation. It must be open to the wider world. Today this is a condition for survival. It must also have an ambitious programme for the future, for it must not only deal with the day-to-day concerns of its citizens but also give them hopes and expectations for the future.

As you have said, Mr President, the Community is continuing thanks to Lomé III to work for this new world order, which aims to permit a better dialogue between rich and poor and to establish a greater equilibrium in the world, an equilibrium which is essential to the preservation of peace. But, and this was one of the themes of your speech, Europe needs to regain or acquire credibility. It can only do so by being, alongside the two superpowers, a partner which commands respect and attention in the community of nations by virtue both of its political authority and its economic muscle.

After taking itself too much for granted for a long time Europe today is in danger of underestimating the expectations which the rest of the world have of it.

You, Mr President, will be attending meetings of the European Council. You will be conducting international trade negotiations on behalf of the Community. It will also fall to you to welcome Spain and Portugal. With what voice will you speak for Europe, and of what Europe will you speak to your partners? Here, it must be said, we have been living somewhat in hope.

I know that your term of office runs for four years and that if you succeed in making the Community progress in a decisive manner along the lines you have indicated then this will be an admirable achievement. But Europe also needs to be attractive. Paradoxically its credibility rests not only on proven realism and the good management of its affairs. Europe needs dreams, for if its peoples are to have the will to live and strive, they must have faith in their destiny.

For centuries our countries, with their family quarrels and rivalries, have involved the rest of the world in their sufferings. Their union as part of the European Community should now provide an opportunity for greater peace and justice among all nations.

We count on you to see that full use is made of that opportunity.

(Applause)

Mr Guermeur (RDE). — *(FR)* Mr President, this debate is creating a new kind of occasion within the

Guermeur

European Parliament, the 'investiture' of the Commission.

You will not be surprised to hear that we challenge this move. We are in agreement on this with the view expressed by my group at the last session. Investiture is a legal and constitutional act which we cannot perform because the Treaties give us no power to do so. There is no such thing as a new Commission replacing another one, for the Commission is a permanent institution under the Treaties. Whilst its members may change, being appointed or even withdrawn by the governments — this happened recently — this is in no way equivalent to the appointment of a government.

In reality the Commission is deemed to enjoy the confidence of the European Parliament unless Parliament has withdrawn its confidence by a formal act provided for in the Treaties.

This being said, Mr President, you have outlined your intentions to us before the Commission jointly draws up its programme. We thank you for this.

Your speech analyses the position of Europe on its long road to authenticity as a Community and voices excellent sentiments for the future. There has been something in it for everyone here. Each of us has been told what he came to hear, no doubt an excellent introduction to our coexistence and, we hope, our cooperation. But this Parliament, like others before it, has already heard countless statements calculated to charm and even fire us. Reality often subsequently brought cruel disappointment. Of course, no one doubts your good faith, and we are certainly not putting the President of the Commission on trial. Like you, we find the institution of the Commission guilty on several counts: inability of the Member States to work together to earn credibility by efficiency; lack of will-power on the Commission's part to resist pressure from the governments; transfer to the European Council of powers conferred under the Treaty to the institutions; short-sighted self-interest; readiness to take rather than give. You have said it — these are the shortcomings of the Community today. In fact the machinery has broken down.

The European Parliament needs to believe in more than a catalogue of good intentions, a four-year fresco of grand designs. It needs to believe in the virtue, courage and character of a team independent of the Member States and attentive to the opinions of the elected Parliament. The Commission needs not ideas but single-mindedness and determination if it is to help Europe forwards.

My group has tabled a draft resolution which embodies its view of how the challenge issued long ago by General de Gaulle and Chancellor Adenauer can be met. Four things clearly need to be achieved: a return to the Community spirit; beyond this aspiration, moves towards Union; the economic recovery of

Europe which is currently outstripped by its major competitors, threatened by the new industrialized countries and ravaged internally by unemployment; and finally, Europe must find its place in the world, for peace and its security depend on this.

Our priorities remain consistent with the spirit of the Treaty: a true internal market for and through an industrial policy which will restore full employment; a common agricultural policy built upon the three pillars which you yourself have named — preference, unity and solidarity to ensure a decent living for farmers and to fight famine which is becoming a scourge; a world-ranging fisheries policy defended against all predators; a reduction in regional inequalities; and sincere cooperation with the poor countries who should be regarded not as aid beneficiaries but as partners.

As for the means, they will depend on a budget and on the dimension of policies decided on and pursued jointly by the Member States. The means also include the advent of the citizen as a protagonist in the building of Europe. I say it again, Mr President, nothing will be done unless the ministerial bureaucracy cultivated by the lobbies is banished to its corner by an independent Commission overseen by a responsible Parliament.

If your actions go towards meeting these few demands and if you and your colleagues immediately and resolutely attack the problems which are currently rendering our Community impotent, then have no fear, Mr President, the Commission can count on our unreserved support.

(Applause)

Mr Verbeek (ARC). — *(NL)* Mr President, like its predecessor in the last four years, this Commission will find its position becoming progressively weaker. The Council of Ministers, the summit conferences of the Heads of State or Government and the national governments of the Member States will see to that. Although President Mitterrand has appointed two Commissioners with a great deal of political influence, what can they do if Mr Mitterrand and the Socialists in France lose the elections at the half-way point?

The Federal Republic of Germany and the United Kingdom will support the European Community with little more than words. Institutionally and politically, the Community seems to be going downhill.

The Rainbow-GRAEL Group is not mourning this trend. Europe must not want to be a superpower, and it must not consort with the superpowers. The superpowers are making the world a sicker place and endangering life. But this new Commission will perpetuate the ideals of Europe as a major power, as the Delors statement has clearly shown. The new Commission wants Europe to catch up with the United

Verbeek

States and Japan. Their growth figures of 6.75 and 5.75% are sacred numbers. The Commission believes that Europe's 2.2% is too low by comparison. All the emphasis in this growth is to be placed on electronics. Today's almighty gods, the computer and the robot, are replacing human labour and companionship. Human relations are being replaced with electronics because that is the way to earn money. More jobs are being sacrificed because they, of course, cost money.

This Commission will not save our farmers, one of whom goes out of business every two minutes, and this trend will now be carried over to Spain and Portugal. The agro-industries and the agro-banks are making the profits. Their farmers are managers who count the losses. What we have now is industrial feudalism. The agro-industries are not interested in producing the food our citizens need or in jobs. Their sole concern is the conquest of world markets and the creation of food mountains so that they can make mountains of money. Animals, plants, the air, water and soil are the victims. Mr Delors has said nothing about the environment that gives us any hope.

Mr Delors, what shocked my group most about your statement was the absence of an answer to the question: where is your original socialism? You too have obviously come to believe that technocracy and capital are more important than the wisdom of man and of Mother Earth, solidarity with the working classes and with the impoverished masses.

It will be very interesting to see whether this Commission succeeds in resisting the fast-growing European arms industry lobby. But Europe must form a strong bloc, not in Nato but in the peace movement. Europe must not force the Soviet Union into a new arms build-up. Europe must not tempt the Third World régimes with arms trade but provide them with structural aid so that they can produce food and become self-sufficient.

Finally, Mr President, Mr Delors's statement again oozed European pathos. My group is alarmed by the aggressive Euro-nationalism and Euro-patriotism. Mr Delors refers to European civilization and culture, but all we heard him talk about was technology, finance and markets. Man, the ordinary citizen was not in evidence in this picture.

Could there be any connection between this and the continued absence of a woman in the Commission? Has our European civilization not yet made any further progress? We did not hear a word about human rights in Europe. We are afraid that the citizen will lose more and more of his rights and freedoms as the power of technology, the economy and the State grows. The Rainbow-GRAEL Group will resist this as far as it is able.

Mr Romualdi (DR). — *(IT)* Mr President, ladies and gentlemen, when it was learnt after the Fontainebleau

Summit that the governments had agreed that Mr Delors was to be appointed to succeed Mr Gaston Thorn, our spontaneous reaction, on behalf of the European Right, was to say that the right man had been chosen in the wrong way. The manner of his choosing was wrong because, once again, Parliament's oft-repeated demand to be consulted in advance, not after the event, had been ignored. Yet how else can it participate in a serious and practical way in the making of some of the Community's most important decisions?

No decision is more important than the selection of the President and of the Members of the Commission because it determines whether that Commission will have the credentials, the authority and the prestige that will give it the sense of being the Community's government, rather than the secretariat of the Council, which a number of Commissions, including the last one have been accused of being. The Community's government is directly answerable to its Parliament and the latter's vote of confidence should be regarded as the Commission's most important and appropriate political investiture without which it has no competence to discharge its tasks.

This is why we deplored the manner of the selection, quite independently of any personal considerations. Mr Delors is an old colleague of ours, he was for two years an excellent chairman of our Economic Affairs Committee and, it is reported, a diligent, if somewhat ill-starred, Minister of Finance in the abominable socialist government of François Mitterrand who, by promoting him to the Presidency of the Commission gives every impression of having wanted to be rid of him, as also indeed of Mr Cheysson, lately France's powerful Foreign Minister, now returned as a mere Commissioner to Brussels.

It may seem impertinent of me to speak in this way: I would not have done so and I would never permit myself to enter into these considerations were it not for the fact that they impinge on the prestige of the Commission, the composition of which seems much less the outcome of mature choice than an opportunity for M. Mitterrand to resolve in a face-saving way the crises within his cabinet. I could continue in the same vein about the corresponding decision of Mr Craxi and others. But all that, fortunately, is behind us now.

For the present we have the statement made here by Mr Delors yesterday: not a programme, as he himself rightly pointed out, for that we shall not have before March, but important statements which we of the European Right regard as undertakings. The first is to prepare a budget that will allow the Community not merely to vegetate but to lead a full life. A budget with which the programme can be put into effect. We do not agree with those who want to make the entry of Spain and Portugal subject to considerations which are almost exclusively of an economic nature. Had such considerations prevailed in the past, no great nation

Romualdi

would come to be born and no people would have achieved political and moral union.

But it is certain that unless clear rules of coexistence are laid down to discipline what are naturally opposing interests, and unless the problem of an integrated Mediterranean policy is first resolved, enlargement is in danger of receding further and further in time. The same can be said of the structures needed for a new agricultural policy and the other new common policies, beginning with research and energy, and of the need to make more and better use of the EMS: all these are fundamental conditions for the creation of jobs and ending, or at least trying to end, the employment crisis, and for Europe's ability to hold its own against not only the United States and Japan, about which everybody is talking, but also the smaller industrial countries of the Far East which today combine advanced technology with extremely low labour costs.

And then there are the questions of our relations with the outside world: with the communist countries and those of the Third World. Questions of crucial importance for the political and economic future of the human race: for freedom, for peace. But so far these questions have been tackled badly, in a demagogical and irresponsible spirit. They need careful consideration and courageous answers.

Finally, there is the problem of law and order, of which Mr Delors did not speak. The situation is critical in all the Community countries under the impact of organized crime and terrorism. But organized crime and terrorism will not be conquered unless our police forces and our courts can coordinate their work. If we continue in our disjointed efforts, if — from discreditable motives of electoral gain and outdated resentments — we waste our time in witch-hunts and in dull contemplation of the imaginary threats of fascism and racism, which have no political existence in Europe, while we forget the crimes of communism present throughout the world, while we ignore the three hundred and more Italian terrorists that enjoy the protection of the socialist government in France, while we pretend not to see the para-political liaisons of some of our Presidents of the Council or of our own foreign minister who today presides over the Community, with those notorious ring-leaders of international terrorism, Arafat and Ghadaffi, we shall get nowhere.

One way to promote the European Union, which President Delors claims to champion, is to join forces in this important field of national and international security. When the time comes to discuss the programme, Mr President of the Commission, this is another subject that will have to be discussed — and with a greater sense of urgency and responsibility. For the time being, good luck and thank you.

Mr Pannella (NI). — (FR) Mr President, I believe that we the Parliament owe it to ourselves and we owe

it to you, given the logic and dialectic of the Community, to confer on this day and the vote we are about to cast here not a merely ritual value, but a political value.

You have said most loyally, and we understand you, that you will not be able to put forward a work programme and objectives, a true Commission programme, before March. You are right, and this characteristic caution of yours is what our institutions need.

But it is clear too that we cannot, on the basis of what you have said, help you by simply saying yes. Not only, Mr President, because your analysis is a kind of 'anti-rhetoric rhetoric' based on concrete facts, but because it is the duty of us all, and your duty above all — one which we are sure you will discharge honourably — to change, reform and improve the basic situation.

Thus, as regards the institutions, for example, your realism seems to us to stand in some need of reform itself. For it is realistic to know that the only thing the Community can control, and which Parliament and the Commission can control, is precisely this reform of the institutions which is incumbent on us. For this reason, Mr President, we find your words on unemployment, the values based on unemployment and the definition of a so-called 'central objective' regarding unemployment somewhat idealistic at a time when, probably, Myrdal and Leontieff — like all economists, and you, Mr President, know them better than any of us here — are telling us that we must have the courage to plan and provide for a period of coexistence with unemployment so that it can become thinkable and so that we can take concrete action in our society without making any mistakes as to what we want and what we can do.

Finally, Mr President, I hope that in your reply you will say a little more about the North-South problem and the Third World. You have said virtually nothing about these.

Speaking for ourselves, we are delighted to welcome back to this House such a highly respected and serious person as Mr Cheysson who, correct me if I am wrong, is to be responsible for North-South matters. But the introduction into the European edifice of a different concept, which gives greater value to the North-South dialogue than to East-West relations, is not a marginal, technical question — it is one way of building Europe.

Mr President, a few brief words now on the Geneva talks. Whilst you told us that they seemed a positive step, you also said that the absence, if only in the future, the incredible absence of everyone but the two superpowers, and the absence of Europe, was to be deplored and would lead us to new, but this time totally useless Yaltas.

Pannella

And so, Mr President, I shall abstain from voting, in the hope that this vote may — in 60, 70, 80 days from now — become a vote of confidence. We believe that the way we can help you is by believing a little more in our institutions. This confidence needs to be earned and created. It is thus our wish that the Commission should in future be more vigilant, more attentive and more confident in following the way pointed by our Parliament and which would appear for the moment to be sufficiently realistic. It is, I believe our Parliament has pointed the way of what is possible, rather than other ways which may seem more feasible but which are more abstract and more fruitless.

Mr Jospin (S). — (FR) Mr President, ladies and gentlemen, as a Member of the European Parliament, as a member of the Socialist Group and as a Frenchman I am happy to take part in the debate prompted this morning by Mr Jacques Delors' statement.

You are taking office, President Delors, at a time when Europe is nearly paralysed by the cold, but one wonders if the freeze applies only to our countrysides and roads or if it is not also symbolic of the freeze in routine which has crept over our institutions and of the benumbed state of the will for Europe. But after all it will perhaps help all of us to view things more clearly if the party of climbers you spoke of yesterday, your Commission, begins to scale the heights against a wintery backdrop.

Allow me, sir, to touch first on the tone of your address. You delivered here a 'Discourse on Method' and if I understood aright this method was that of happy medium. Happy medium between your own convictions, which we have felt, and your respect for the differing convictions of others, of governments, members of your Commission and the parliamentarians here today. A happy medium between the absolute necessity of solving the short-term difficulties (1985 budget, control of spending, increasing of own resources, farm prices) without getting bogged down in these difficulties of the moment, and the determination to move on towards new perspectives for Europe (enlargement, technological and industrial progress, introduction of a European currency, European Union) provided, of course, that more is forthcoming than just speeches. The efforts made by the governments in the last year make me more optimistic about this, but we are counting on the Commission to translate into reality the agreements which have been outlined and sometimes even those which have been concluded.

A happy medium between the Community's problems of substance — economic, social and cultural — which must be dealt with and solved, and the question of reforming the institutions, certainly a necessary endeavour but not one which should take up all our energy or be a substitute for effort and progress on our basic problems of substance. A happy medium between

idealism and pragmatism. We know you to be a man of vision, Mr President, and some of our honourable friends will perhaps have thought you wise today in that you have measured and assessed the difficulty of your task. I think you were right to be cautious but I also know and at all events I hope that you will not fail, at moments of decisive importance, to carry us all forward:

If I now examine in detail the guidelines set out to us by the Commission, I note with interest a number of declarations which we should together translate into concrete and living reality.

The first is this: we should assert and state Europe's position *vis-à-vis* the USA and Japan. It is time that Europe enjoyed greater respect in both economic and cultural matters, as you have said. In its proposals to Member States, in its role in international trade talks, the Commission must embody the Community's desire for recognition and its will to be strong.

The second declared intent is this: there must not be any conflict between economic considerations, economic efficiency, and social considerations, social justice. You have rightly rejected the idea that the decline in social progress might be exploited to create greater economic competitiveness. Our attitude here must be not merely defensive, but offensive. Despite the difficulties of the current crisis and the conservative illusions of economic neo-liberalism, Europe must enable its peoples to hope for new economic and social progress. Its political stability and the future of its democracy are at stake.

(Applause)

Third declared intent: we must be aware that there is a model of European civilization founded, as you have said, on a balanced relationship between society and the individual. It is up to us to project this model in international relations with optimism, pride in ourselves and ambition. It is our job to propose it to our partners in the Third World in suitable forms which they can freely adopt. It is also our job, and primarily so, to reduce to a minimum both within the Community and in all countries the political influence of those extremist political trends which, despite their hypocritical affirmations and selective protests, direct all their energy against the essence of democracy and thus of European civilization which is the notion of equality among men, of tolerance and respect for others.

(Applause)

Fourth declared intent: we must fight mass unemployment more resolutely. In France we are currently making new efforts, but one of the aims of this convergence of economic policies which you call for should henceforth be the battle to save and create jobs. Cutting itself off any further from the world of work and

Jospin

from youth would be a mortal danger to the Community.

Now to the fifth and last of your declared intentions which I have chosen to discuss in my brief intervention. We must restrict excesses in the diplomacy of linkage, as you were saying yesterday. Like you we believe that Europe cannot be forceful if each Member State confines itself to practising a tit-for-tat policy. For the main thrust of European economic policy at the end of the twentieth century is after all not to revert to a barter economy. The Community will not progress if we deny these principles and rules, especially as far as agriculture is concerned.

Another objective was to overcome the paralysis in relations between the institutions. Doubtless it is a good thing to set off eagerly along the road to European Union. It will depend on the will of the governments and this Parliament. But if you the Commissioners were to begin by helping us to restore within the Community a true decision-making machinery separating the futile from the essential, the technical from the political, so that action could be taken quickly and non-essential obstacles overcome, you would be doing the Community a great service.

I shall end by mentioning the day-to-day aspects of Europe. Like you, Mr President, I believe that unless we make Europe more familiar to its peoples, the 1989 European elections will again be an incidental part of domestic policy or will mark a new high point in the indifference of the Community's citizens. You have said that your Commission will be the 'engineer on European construction project'. I trust this engineer will not stay put in his engine room or at his draughtsman's desk. Let him not forget the streets, fields, workshops, schools, research institutes, recreational and cultural premises and homes where people go about their everyday affairs. I am confident that you will not forget. If all of us do likewise, then we shall continue to build Europe.

(Applause)

IN THE CHAIR: MR GRIFFITHS

Vice-President

Mr Aigner (PPE). — (DE) President of the Commission, your remarks yesterday lead us to hope that you are concerned not only to restore the Commission's legal position as defined in the Treaties, but also to interpret the Treaties positively and strictly for the sake of the Community's continuing development. We were very interested to hear that. The fact that we refused to grant the previous Commission discharge in December — and I think all groups were unanimous

on that point — was not intended to weaken the legal position of the Commission in any way, on the contrary, it was intended to strengthen the Commission's position, especially *vis-à-vis* the Council. That was and is the main aim of Parliamentary control.

It is gradually becoming intolerable for all Members of Parliament to have to watch how the implementation of a budget, which has been adopted jointly by Parliament and Commission, in cooperation with the Commission, is blocked on virtually every point by national self-interest. By virtue of the Treaties — and this is the only legal point involved — the Commission is the implementing authority for budgetary decisions. We should not forget that it is from the Commission that something like a European government will gradually emerge as a result of the continuing evolution of cooperation. It is time for the Community to stop acting as an administration. We need a government for the Community once more. Under the Treaties that is the function of the Commission.

We can no longer allow the government advisers of ten national bureaucracies to steal the bread from the mouth of the Commission in spite of its legal position and in spite of its being covered in the rear by Parliament! At least, Parliament will find it intolerable in future, and I have to say that I was particularly pleased to hear your remarks on this point.

Let me add one more plea. We need a different image, a different policy on Community information. For example, what has been said in the media in recent weeks about the destruction of fruit is simply not true. It is a scandal! The Commission, Parliament and the Council should jointly do everything in their power to depict things as they really are and not as represented by certain vested interests or opponents of the policy of European integration.

In a continually developing European Community the democratic deficiencies must also be eliminated systematically. It is absolute nonsense for more than 300 million Europeans — when Spain and Portugal join the Community — to be asked to vote in European elections, when it is impossible for the results of those elections to be translated into policies, because the appointment of Commissioners, who are the members of a quasi-European government, continues to be dependent on the outcome of national elections. We are living under a denatured parliamentary system, which on the grounds of division and limitation of power is no longer acceptable. As long as the Treaties remain unaltered, it is the Commission's duty and responsibility within the framework of the existing Treaties to accept the majority will of the European Parliament as the guideline for its activities.

The Commission has an excellent and powerful way of implementing its political will — which is also the will of the majority in Parliament — namely the right of initiative. You said yesterday — and I was very happy

Aigner

to hear it — that you will increasingly resort to your right of initiative. If you use it constructively, even — if needs must be — against the Council, we shall gradually be able to overcome national self-interest, and that is the key to the continuing evolution of the Community!

The Commission should also have more confidence in the European Court of Justice and quietly allow that institution to settle conflict with the Council. The European Court of Justice has always shown a European approach to the positive development of the European Community, and we should for once offer our thanks to it in public.

The Community was created to restore nations' freedom of action through European unity. This assumes that the institutions have the will to interpret current law in a progressive, and not a retrograde, manner. We hope for successful collaboration, and I am sure that I also speak for the Committee for Budgetary Affairs.

(Applause)

Mr Møller (ED). — (DA) Mr President, I think that it was with great anticipation that we all came here yesterday to hear the new Commission President's introduction of the work and intentions for the Commission's next four-year period. The President emphasized in his speech that he was concerned with the main guidelines. A more detailed programme would follow subsequently, in March, if I understood him correctly.

Mr President, it was a work of oratory, lasting for nearly one hour, yet all it set out to do was to present guidelines. What will it be like when we get the detailed programme? Shall we have to allow six or seven hours for the Commission President to present it here in Parliament? I am not criticizing the length, but I would point out that we do hear fine speeches in this chamber — we heard them yesterday; but Parliament has gradually become blasé where oratory is concerned. That is a pity, for we have the cream of Europe's public speakers here in Parliament, in this circle of ours. But they are no longer able to rouse those who have to listen: indeed those who hear them have enjoyed and applauded these gems of public speaking time and again, but over the past three or four years they have never really seen them turn into reality. It was thus a pleasure to listen, Mr President. For a man who himself has made many speeches, it was a pleasure to hear the introduction of your outline programme. But I would warn you against being too preoccupied with feats of oratory for, as you said yourself, it is action we must now be concerned with.

When I look at the situation in Europe now, I rather fear — as indeed we all do — that we have come to a river we must ford, and we are not certain whether we

dare make the crossing, whether we should swim across. But we have our Rubicon to cross: *jacta alea est*, and I think I heard in your speech that you want to cast the die now — if not in the manner of Caesar perhaps at least, to keep to your own language, in the Napoleonic manner. But what does it matter whether it is Napoleon or Caesar who crosses the Rubicon today? We must ford the river, we must get clear of our difficulties. *Per aspera ad astra* — through hardships we shall reach the stars, and we thus welcome you to this work, Mr President.

We also gladly welcome your colleagues. For my part, I would especially welcome Commissioner Christophersen, not just a prominent former member of the Danish Government but also one of great distinction, to the work here in Parliament. But I must add that, when we look back over the European debate of the past three to four years, from Genscher-Colombo — the programme put forward by the West German and Italian foreign ministers — through the Spinelli report, the last report, to President Mitterrand's grand address here in May, we see that Europe is faced with a choice between two courses of development. We have to decide whether to take a giant step forward and manifest ourselves as a union, whether we should take that great step, that leap forward, or whether to concentrate on achieving what the Treaty of Rome requires of us and bring it to fruition, which means, amongst other things, getting the internal market to function in a wholly satisfactory manner in accordance with the Treaties. I listened with the utmost interest to what you had to say on this schism. As you know my country does not feel ready to venture the leap forward to union, but rather adheres to the view that what we should be talking about in the first instance is the development and fulfilment of all the provisions of the Treaty of Rome.

As I understood you, Mr President, you incline more to the view — since it is after all the Council, together with Parliament, which must take any decision on the question of union — that the Commission's task is to implement the Treaty of Rome in all its details. It must be the task of every Member State, including the Danish Government, to join in ensuring that this actually happens, that any remnants of protectionism are removed, so that Europe can enjoy the full advantages of free trade.

But I also understood you to say that you had another aim in view: once the Treaty of Rome had been made fully effective to pursue the matter of union and, if not to bring it to fruition, at least to take some steps forward. This schism between those I would call federalists and those I would term functionalists is what divides us most deeply at the present time. There are those, including President Mitterrand, who have said that the Six should go their own way, and let others join them at a later stage if they so wish.

I am greatly saddened to see this schism between our Member States. We are ten countries and, let us hope,

Møller

we shall be twelve from 1 January 1986. We must stand together in solving the problems we are faced and not strike out into waters in which we shall be out of our depth. That is why I am glad, Mr President, to hear your remark on the need to respect our differences. The peoples of Europe differ in their rates of progress, in their resoluteness and in their desire to move forward, but we do not differ in our will. We differ in our natures, our customs and ways of life but, in regard to our European will, I do not think that we differ. Therefore please believe me, Mr President, when I say that there are many of us who wish you every success in your efforts to get the Treaty of Rome to function in every respect.

It is precisely at this fording place that we need a good push to help us across our Rubicon, so that we really can, if not conquer Rome, then at least make the Treaty of Rome fully effective. That is the task to which I welcome you. What came across to me is that we now have a Commission and a Commission President who will take that step and will give that impetus to the European idea which will move us out of the doldrums to which you alluded and enable us to make real progress.

Mr Wurtz (COM). — (FR) Mr President, Sir, hearing you yesterday dallying with the hope of a Europe made strong, as you put it, by an exemplary social system, and hearing you pleading once again for a European social area, emphasizing that the development of Europe must be planned and realized, again as you put it, in accordance with the human and natural resources of each Member State, one could not help thinking 'Mr Delors is sounding an encouraging note there, but his predecessor did the same four years ago, and so did his predecessor's predecessor, not to mention Europe's founding fathers who included extremely good intentions in the preamble to the Treaty of Rome'. However, it has to be said that these were not followed up. As you yourself have said, rhetoric is not enough. The facts are there. We are suffering, as you say, from 'Eurosclerosis'; Europe is in a state of crisis.

We for our part draw the conclusion which good sense seems to dictate: the principles applied by the European institutions so far have proved inefficacious. They must thus give way to something better. Particularly the dogma of giving priority to capital financing to the detriment of employment. The same applies, in our view, to the so-called aids to the major industries, based on criteria of financial profit at the expense of employment. It is also true of the pressure brought to bear on the budget, which threatens jobs in agriculture and jobs in the Third World. As for the ECU, it indubitably has a role to play given the dominance of the dollar. With this in view we should thus counter the mass exodus of capital to the USA and stop removing the various means which exist here and there of staunching this financial blood flow. The resources thus conserved could usefully be used differently to

provide more jobs and training and thus meet the needs of those who wish to work.

To take just one example: the European Council's recent commitment to offer all school leavers a job or a training place. You will need to find ways and means of achieving concrete results.

I shall dwell briefly, on a second question you raised. The Community, you say, has not succeeded in convincing its two other great partners and friends, the USA and Japan, of the need to act together to remedy the obvious confusion in the world economy. This, Mr Delors, is your polite way of describing the economic, commercial and monetary war being waged on us by the United States in particular! Will Europe finally resolve to defend its clearly understood interests, using the instruments available to it and, if need be, creating new ones?

In the same context, will the Community do anything more than just talking to encourage cooperation between European undertakings? Of the 45 or so big agreements concluded by European companies in the last five years, 40 or so were concluded with American and Japanese firms.

Mr President, yesterday you stressed the need for the Community to seek greater credibility. You spoke of a true Community in which unimpeded movement, dialogue, communication and exchange are possible. A Community, I would add, in which one can without impediment work, undergo training and create useful wealth in order to fulfil the needs of our peoples and meet the demands of a broadly based and fair cooperation, particularly with the Third World. Such soaring transformations are, of course, unlikely.

Mr President, let us say simply that we for our part place great faith in what I might call the third superpower — that of the peoples themselves — and we hope for Europe's sake that there will be enough of us and that we shall be strong enough to help them make their voice heard.

Mr Lalor (RDE). — Mr President, 'Europe's credibility depends to a large extent on turning the tide of unemployment'. 'Economic convergence will be meaningless to people if we have not reserved the terrible rise in unemployment within the next two years'. Those two quotations from Mr Delors' presentation of his and his new Commission's approach yesterday evening I found most striking. Both statements were most realistically factual. We, as elected representatives, who are daily confronted by that unemployed workforce now approaching 20% of the overall labour market were somewhat disappointed when he told us that we will have to wait two months before hearing his programme and that of the Commission designed to achieve the promised reversal.

Lalor

This Parliament which is now — let us not forget — six months old has a pronounced vested interest in the success of this Commission. When you have finished your assigned period of office we will once again be facing our electorates for their verdicts on our performance. As that actual verdict and decision will come within six months afterwards, we will need to have been extremely well serviced. This is where the relationship between us as a Parliament and you in the Commission college will need to work in the closest of harmony.

Quite frankly, Mr Delors, I was somewhat disappointed yesterday afternoon. Our agenda indicated that you would be introducing your new Commission and I was hoping that you would introduce the team and give us some sketchy outline of what you hoped each Commissioner would achieve over his period of office. In addition, we have never been in any way officially informed as parliamentarians of the actual assignation of each Commissioner, and this is not quite good enough. We have read some details in some press accounts, but we cannot be too sure of their reliability. We all have our own ideas about the authenticity and genuineness of press reports.

I understand that our Irish Commissioner has been assigned to the very important directorates of competition policy and social affairs. I want, as an Irishman, to wish him a most satisfactory period of office. I know him to be extremely efficient, capable and dedicated and, as the youngest Commissioner, he will have, hopefully, all the energy necessary to match the enthusiasm with which he will undoubtedly tackle the challenge. Like all of his Irish predecessors I know that he will prove to be an outstanding European. Nonetheless, we Irish will be relying on him to keep his colleagues aware of the many Irish requirements and weaknesses.

I read in the press last week that after the new Commission's very first meeting, Mr President, you refused to outline your plans to the press until you first reported to Parliament. I should like to congratulate you on that. You will appreciate, however, my feeling of disappointment at not hearing a little bit more of your actual plans. I want to endorse all of your aspirations for travel, communication and trade without hindrance, for the hope of our ability to speak with a single voice and to act in concert. I welcome your expression of the need to endow ourselves with economic, technical, financial and monetary strength. Never has the need for monetary strength been so apparent and so clearly necessary as this morning. I also agree when you say that we must maintain a sound modernized common agricultural policy, in conjunction with a united market, financial solidarity and a strengthened EMS, industrial cooperation and the end to inflation, which can lead to the additional employment opportunities we so urgently need in order to employ our unemployed.

However, the presentation of the plan of action is what we now want and this can no longer be delayed.

Mr Christensen (ARC). — *(DA)* Mr President, the new Commission has taken office with the most militant declaration ever heard. The threat to apply the provisions of the Treaty down to the last detail is a declaration of war on the Council of Ministers; like the repudiation of the right of veto, it goes against present practice in the Council. The Danish People's Movement against Membership of the European Community will fight the dangerous alliance between the Commission and Parliament which is heralded here. It is a threat to Danish independence. We can understand that, if it is left to the Commission, the so-called internal market will be a reality by 1992. It means that everyone will be marching in step, economically and socially, in taxation and distribution policy, even from the point of view of the efforts to achieve so-called economic and social convergence.

It will evidently also extend to the labour market. The freedom of the two sides of industry to bargain collectively and conclude agreements will be subordinated to common collective agreements at European level. It is a repudiation in real terms of both the national right of self-determination and of the freedom of unions and employers to conclude agreements. The question arises whether the Commission would even contemplate solutions compulsorily imposed by the European Community, when the parties to an industrial dispute cannot agree.

I should like to ask the President of the Commission whether Commissioner Christophersen voted for this declaration of objectives on collective agreements at European level. The overall impression conveyed by the Commission's declaration is one of ambitions for a colossal centralistic European superstate. Well, we'll see about that — it is certainly something for the People's Movement to tell the Danish people.

Mr Ulburghs (NI). — *(NL)* Mr President, I share Mr Delors's concern about Europe. I should just like to underline a few points he made.

Europe's strength does not lie primarily in the arms race or in relentless economic competition based on profits. Europe's strength lies, in my view, in siding with the powerless, the poor. This means that we have various clear-cut options.

Firstly, an economy attuned entirely to peace and opposed to the deployment of nuclear missiles. According to the opinion polls, the peace movements in the Benelux countries now represent the vast majority of the population. We hope that the public's growing desire for peace will be echoed throughout Europe and heard at the negotiations in Geneva. I hope this Parliament will become the motive force of this desire

Ulburghs

for peace and an economy for peace to the benefit of the poor in Europe.

Secondly, the technology that is used must be carefully chosen. Europe must have nothing to do with large-scale technology that encourages the nuclear arms build-up. It must have nothing to do with technology that destroys the environment, like nuclear energy and certain harmful chemical industries, or with technology that can no longer be brought under democratic control and is a real threat to democracy. Europe must opt for technology that leads not to death but to life, creates meaningful employment and meets the basic need for wholesome food and sound housing for everyone.

Thirdly, only a Europe that stands by its own poor and oppressed and pursues a social policy can stand by the poor and oppressed in the Third World. The more successful we are in improving social security in Europe and integrating immigrants into a dynamic Europe, the more credible our aid to the peoples of the Third World will be, provided that the three great movements that can make Europe great and are represented in this Parliament cooperate on the basis of the Christian values of personal freedom and social emancipation in establishing peace without missiles and a just order with respect to the poor and the oppressed in our own midst and in acting in solidarity with the Third World. Then our own society will still have a future, Mr President, but time is running out.

Mr Alavanos (COM). — (GR) Mr President, the interest and anxieties of the President of the new Commission were concentrated on 'Europe' — and we put that word in inverted commas because in our view neither the term itself nor the socio-political reality of things, nor what is meant by European civilization, are given full expression solely within the confines of the EEC-NATO framework.

Allow us, in this brief intervention, to concentrate our own interest and anxieties on Greece. Not for the purpose of juxtaposing any sort of egotistical or nationalistic inclination against the need for international cooperation, but in order to draw a clear line between the position we hold and the pursuit of integration as dictated by the interests and demands of Western European big business, a factor which is undermining the national independence and popular sovereignty of the member countries.

The President of the new Commission heightened these anxieties of ours when he said that one of the new Commission's prime economic objectives will be to open up the huge internal market, at a time when the arrangements up till now are threatening the Greek economy with devastation, and when he spoke of industrial sector cooperation at a time when our country is faced with a worsening problem of industrial decline as a result of its membership of the EEC.

We are also worried by the relegation of the integrated Mediterranean programmes to third position in his speech and by his references to vital interests.

Looked at in this light the experience of Greece's EEC membership up till now and of the things done by the previous Commission, together with these references of the President of the new Commission, make it essential, in our opinion, for the Greek people to be vigilant and to keep up their fight. In finishing I would like to ask the President not about when the integrated Mediterranean programmes are to be implemented, nor how much they will cost, but whether the new Commission accepts the previous Commission's proposals with regard to these programmes.

Mr Kuijpers (ARC). — (NL) Mr President, after four years of Euro-pessimism Mr Delors has made a declaration of intent which may mark the beginning of four years of Euro-optimism. The Commission must now have the courage to come forward with clear plans for achieving one of the European Community's most important objectives, the fair distribution of welfare through prosperity. Mr President, we hope that the Commission will appeal to the regions, to the groups in Europe who ask no more than to have a say and to be allowed to act in solidarity with others in and outside Europe through their regional authorities.

They see obsolete, 19th century nation States not only holding up internal development but also blocking the emergence of a new Europe. We therefore hope that, when the Commission submits a programme for the development of the Regional Fund, it will do so with the eloquence of the forgotten peoples and groups of Europe.

In the same context, I hope the Commission will give priority in its programme to making up the arrears where the European Social Fund is concerned. If used properly and put in the hands of people who want to use them to the best possible effect, these two policy instruments can act as levers in changing Europe into what the founding fathers dreamt of 30 years ago.

Finally, in the limited speaking time available to me, Mr President, I hope that the European government, which is what the Commission is, will have the courage to take initiatives and motivate everyone to bring about genuine consultations on peace, since every step in the direction of peace will stimulate the development of the Third World.

Mr Pranchère (COM). — (FR) Mr President, sir, you have stressed that the farmers need to believe in Europe. It would be a good thing if Community measures did not give the lie to what you have said. Unfortunately, however, they do. Quite recently the agreement of 31 March 1984, extended and aggravated by the decisions of the Fontainebleau and Dublin sum-

Pranchère

mits, was reflected in a high-handed and arbitrary cut in agricultural production, an increase in pressure on incomes and the fettering of agricultural spending. The EEC forces its farmers to make sacrifices but spares the big dairies and leaves its frontiers open to American imports. Indeed the basic aim of enlargement is to hasten the dismantling of the CAP and its bases, transforming the EEC into a vast free trade area.

The farmers are not against building Europe, provided it is not done at their expense. And so they expect more from the Commission than mere declarations of intent. For the present they expect fair price proposals and improvement of the market mechanisms so that family farmers can be assured of a reasonable income and a fair return on their agricultural products.

One last question, Mr President, on farm prices.

How much credibility can farmers give to your declarations of intent when even now there have been leaks indicating your initial thinking on farm price proposals for the 1985-86 farm year? They are unacceptable, and to French farmers and family farmers in France they are nothing less than a provocation.

Sheep, pig and cattle breeders and wine growers, whose income has fallen sharply, would have their prices frozen; tomato growers would lose 10%. Whilst American soya is dumped on the EEC, colza and sunflower producers would be penalized by a cut of 1 to 3.1%, making a mockery of the Community preference system.

So, Mr Delors, you cannot remain silent. I thus ask you whether the Commission intends to announce its price proposals promptly so that prices can be fixed by 1 April and the spirit of the Treaty of Rome thus respected.

Mr Delors, President of the Commission. — (FR) Mr President, honourable Members, at this morning's end I would not want to take up too much of your time, even if you are not absolutely famished.

On behalf of my colleagues I wanted to thank you for your statements. I should like you to know that I have greatly appreciated the warm sentiments expressed by most of you and that we have paid close attention to the warnings given. It goes without saying that all the problems could not be covered in a general policy statement. Mr Pranchère, for instance has just spoken about the common agricultural policy. If, for some 15 minutes or so, I were to raise all the problems that are on the table, where on earth would we be headed?

My statement to you yesterday covered the next four years. It was not meant to be a detailed programme for one year. And yet Mr Estgen and many other outside observers saw it as being very ambitious. That is cor-

rect. It is ambitious in its objectives. It is ambitious in its timetable. It is ambitious in its unceasing and difficult search for a means to attain them.

If we flesh out this statement later to turn it into a programme, adding areas such as energy-saving or energy policy in general, which I did not touch on, you will admit that we will have our hands full for the next four years. And this is a challenge to the Commission as Mr Arndt has said, and to Parliament. He was much applauded when he spoke of your working methods. I remember this, as do others, having been a Member of this Assembly.

But we too have to make a great effort in respect of our own working methods. This will mean picking and choosing our subjects, picking and choosing topics for discussion within the Commission, whose members have reaffirmed their resolve to work as a real team. This will not always be easy, since even the Commission mirrors the stresses and strains and conflicting views within the Community which, I ventured to remind you yesterday, are serious and substantial. What would your reaction have been had I wallowed in idealism? All of us — the Commission, Parliament and Council — must clarify our ideas. The Commission has a further duty: to produce common provisions cogent enough to compel the other two institutions to come out into the open and say clearly what they do or do not want.

Mrs Simone Veil said: 'Prudence and circumspection'. How right she is! You cannot get this work going with a policy statement, however well it may be received.

Other warnings about what lies ahead were sounded by Lionel Jospin, Mr Romualdi, Mr Wurtz and Mr Guerneur. Despite the hazards, despite differing viewpoints, my purpose yesterday, at the risk of being tedious, was to reflect on 'How to go about it' rather than 'What has to be done'.

I can see already that my ideas struck many of you as over-ambitious, if not unattainable. This says much about the magnitude of our task.

Some of you were quick to bring me down to earth, reminding me of the problems in abeyance. Mr Estgen, Sir Henry Plumb and Mr Romualdi referred to the 1985 budget and budgetary discipline, for example, which gives me a golden opportunity to speak for a few minutes on the difficulties of getting the institutions to work smoothly again.

If the Commission wanted to act quickly on the 1985 budget and budgetary discipline, it would have to act as honest broker and get more and more involved in what is the role of the Council's secretariat, that is to say reconciling viewpoints and doing the legwork. And even if we were to pull it off, we would be repudiating the origins, the very essence of our institutions. The orthodoxy is that the Commission makes propo-

Delors

sals and the other institutions take up their positions. You will soon see how difficult our day-to-day task is. When I met the Italian Presidency this week, I was tempted to make a suggestion of my own for settling one of these problems in abeyance. But I held back telling myself: if you do this, you will be moving even further away from the purity of the original design, a design which reveals more than a touch of genius on close inspection.

The Commission is not less aware of the difficulties presented by the common agricultural policy, about which Mr Lalor has also spoken.

I said yesterday that farmers needed reasons for hope and I meant it. I was not merely side-stepping the issues of farm prices, over-production and the serious differences we have with the United States and other powers. No, it was quite simply because, at a meeting with representatives of the farming organizations this week, I sensed that Europe was moving out of their field of vision and that opening new medium-term horizons for European agriculture was, if not the key to solving their problems, at least pointing the way. We must all look to the future. Gaston Berger claimed that looking to the future was tantamount to changing it. The same is true of implementation of the budget: we will, obviously, have occasion to discuss this vital issue further, notably with Mr Aigner, in his capacity as chairman of the Committee on Budgetary Control.

My statement yesterday was deliberately unbalanced. It did not say enough about the outside world, because I did not want to speak for more than one hour, especially since my theme was methods.

But in view of what has been said by Mrs Veil, Mr Cervetti, Mr Guermeur, Mr Jospin, Mr Würth and Mr Ulburghs, I shall return to it in a little more detail today.

I said very little about our credibility in the outside world. Our credibility depends, as I said yesterday, on our strength of character, but also on our economic muscle. First and foremost — even if we have to step outside the strict confines of the Treaty of Rome — we must command a wide overview of the problems of preserving peace, the world balance of power, all that threatens the still select circle of democracies, all that threatens human rights everywhere — even at home if we have to put our own house in order.

We must be firm but openminded. Yesterday I was speaking for others not just myself. So I did not, as I sometimes do, indulge in the form of outspoken dialogue that I conducted as a minister with representatives of the US administration. I was brutally frank with them, because I regarded myself as their friend, though this was sometimes misconstrued. We must acquire this firmness; firmness precludes neither friendship nor open-mindedness. But we need to

establish our style and, as I said yesterday, I am speaking from experience, my own and others'.

When we Europeans go to talk to the Americans with purely defined positions, when we are not 100% united in our strategy, though we may agree on the diagnosis, we cut no ice. I could review 3½ years of world monetary history for you to demonstrate that only once in that time did we succeed in convincing our American friends. And on that day we spoke strongly and in unison. We were agreed on our diagnosis and our proposals and we all followed the same strategy.

We need an effective presence. In my policy statement yesterday I could have presented the Commission, its various members, not in the style a jazz band is presented, or as it was presented in the 1950s, with each playing three or four notes — that would have been difficult and it would have taken an hour — but I could have presented it nonetheless in relation to new developments. And I might add that even before the governments had appointed Commissioners, I had an idea in my mind that I could carry out: the Commission, the Community has too low a profile in Latin America, Central America and the underdeveloped countries not covered by the Lomé Convention. And Europe, which will soon embrace Spain and Portugal, has no large-scale Mediterranean policy.

I do not propose to enlarge on this, except to say that this is why I got the idea of assigning responsibility for this area to one Commissioner, who will, of course, work with the Commissioners responsible for external relations and development.

I was able to do this by entrusting the job to a generous and capable man. But even before the right man was found, the decision had been taken for the reasons I have explained — endorsed incidentally by opinions canvassed from several senior Community officials and more than one Commissioner. We must ensure an effective presence in the world... to make Europe known. Mrs Veil said a little while back, and she was right to do so since it might easily be forgotten, 'Europe must also be attractive', but in order to be attractive it must be present. It was the policy inaugurated by the lady President of Parliament in the beginning, during the course of the first Parliament elected by universal suffrage. We needed to be present for Europe to become known. It is true that we do not always match up to our predictions, intentions or recommendations; but we do need a presence and I believe that with this new arrangement, the Commission will have a higher profile and that the three Commissioners concerned will work together imbued with a common resolve to improve the world order.

As a European I have often wondered, looking back beyond our shameful past and fratricidal wars to our heritage of civilization, how we Europeans ever became so powerful, to the point of bringing about the

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downfall of others, dragging them into wars. How can we countenance a slow decline, if a gilded one for many? Would our grandchildren forgive us if we do not leave them a Europe that can assert itself and exert some influence on world affairs?

Another marked characteristic of Europe has been its desire for universality and, of course, when I see Europe I am not confining myself to 10 or 12 countries as I have been accused of doing. But we must start with those who want to be together, with those who want to live and work together.

So, whether the issue is trade of financial flows, the scale of aid, or new roles for international organizations, the Community will be there. The three Commissioners concerned will do the necessary. We have no intention of throwing our weight about, but we will be firm and we will account to you for our actions. And we hope that our governments will go along with us for none of us have anything to gain from forgetting ourselves, forgetting our identity. Some of you took what I said yesterday to be a fixed prejudice in favour of one type of social organization or another. It was nothing of the kind. It was a simple but important concept and in no way precludes painful reappraisals. But, I beg you, let us be ourselves. Let us be ourselves. To return to the home front. I tried yesterday to relate structural and economic action. And in the talks I have been having with the employers' associations, the trade unions and the agricultural organizations I made this link again and again. Why? Because it is the only way. We need to adapt production to the new international situation; but we also need to demonstrate in the months ahead that we are capable of progress, now that the opportunities are there.

Do you seriously believe that we can tell our young people, at school, at college or on the dole that they will find jobs in five or ten years' time when we have adapted our structures? Do you seriously believe that we can embark on a policy of reflation, of economic recovery with structures as flimsy as ours, without mobilizing our resources? Obviously not! The two things are interdependent. Our efficiency, our credibility is at stake.

Does that put constraints, Mr Verbeek, on our development model? Not at all! I remain open to dialogue with everyone. The Commission remains open to dialogue with everyone. Of course, we must have peace, we must have work for everybody, etc. But I ask you this: Are you not tired of hearing fine speeches when the cupboard is bare? I was cautious on the monetary front. Too cautious, according to Mr Estgen, if I understood him correctly. Mr Cervetti was not satisfied either. Sir Henry Plumb comforted us with his reference to the pound sterling. I know that in the UK the number of those who favour participation in the European Monetary System is continually growing.

I was cautious because I am well aware of the circumstances in which the European Monetary System was launched and a doctrinal debate in which monetary experts, governments and central bank presidents got embroiled at the time. I know all about the problems of principle facing the central banks. And you cannot have failed to notice that nerves have been on edge again recently and that both sides are hiding, in exasperation, behind questions of principle.

The mood is scarcely conducive to making progress and to providing answers, coolly and calmly, to the questions I asked yesterday. It is precisely why I asked them.

To take matters a little further, let me re-state three points. Let us assume, first of all, that we are determined enough to push beyond the present system; that we consider a move to the final phase, originally planned for 1989, to be premature; that the central banks can be reassured. But even then any real progress would call for an effort on the part of each Member State: some would have to narrow their margin of fluctuation, others would have to join a system, yet others would have to liberalize capital movements. There is no point in wanting a strong ECU in a splintered market. Feudalism is just as out of place in monetary affairs as it is in economics and trade.

From there we could think of working in two directions and perhaps consider going beyond the small 'package' that was rejected in December — firstly by containing the development of the private ECU — I gave sound reasons for that yesterday — and secondly by extending the use of the official ECU within the system, and indeed outside it. If we could manage to come up with a more ambitious package than the December one and get it accepted, that would be real progress. We need to act fairly quickly, once nerves have calmed down again, so that we can press ahead with current discussions within the international institutions.

You will recall that two years ago the French President called for an international monetary conference. As Finance Minister I immediately put forward proposals. I revived discussion in the 'Group of Ten', in which most of the Community countries are represented. The work done by the Group should not be left to lie fallow simply because the two or three who believed in it have lost interest. The work of the Group raises questions. Is there, for instance, a link between excessive currency fluctuations and protectionism? Do excessive currency fluctuations hinder the expansion of international trade? Are we going to answer this question or not?

And there is another question: Is the International Monetary Fund there solely to keep an eye on the poorer countries? Should it not also require the richer countries to play by equitable ground rules? Are we going to answer that question or not?

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If we do not answer, it means that we have decided to resist all change: the *status quo* is just fine. We are putting a question to you — you will have an opportunity to debate it — and it is this: do you think the present system is all that it might be? Ask the English — since it is a matter that concerns them right now — but ask others too.

On the subject of institutional relations, I said: the Treaty, all of the Treaty. And this sentiment was echoed by Mrs Veil, Mr Aigner, Mr Møller and Mr Estgen. The Commission has a duty to ease the present strain between the institutions. Everyone is too much on edge. We would be on edge here too if the Commission, to demonstrate that it has the right of initiative, were to fire off four or five proposals and bang on the table. You know, others have acted in this way. We have seen it, for instance, in film cartoons. You remember all those champions, all those cartoon heroes who, believing themselves indestructible, jump from 3 000 feet, thinking they have a parachute, and crash to the ground. But the Commission must not resemble these cartoon heroes.

As to relations between Parliament and the Commission — I promised to return to this at the end of the debate because you asked me specific questions — I would prefer to hear from you before making any pronouncement.

But let me make a point which will not, I am afraid, be to everyone's liking. When I left this House, I was rather disillusioned. I wondered how one could talk about the Treaty when, for a debate on the Treaty, only 10 Members were in their seats. I was rather disappointed, taking a rather longer view, re-reading the fathers of the Treaty of Rome, eminent authorities on public law or eminent historians this summer.

I came to the realization that our democracies were born of relentless struggles by Parliament to secure a sound balance of power from the executive. And I said to myself, even if some regret it today, the election of this Parliament by direct universal suffrage symbolizes this. Of course, it is more complicated with ten or twelve of us. But there are *idées-force* which we must cling to.

Parliament was elected by direct universal suffrage. As I said yesterday, our aim is to ensure that before the next European elections, the man in the street can enjoy the daily experience of a tangible Europe. But we also want to ensure that you can fight the good fight democratically. It is your sense of responsibility, not simply your conscience, that will tell you how far you can go without overstepping the mark. And when you do I will tell you. But I still believe that your election by direct universal suffrage should be seen in terms of the birth pangs of democratic life with a European dimension. And it is precisely this that will give Europeans a taste for encouraging, living and building Europe. It cannot be otherwise. That is the

lesson I learned last summer. And, as Mr Jospin said, we must make the decision-making process effective again.

You have asked me four questions. Let me answer them.

Firstly, the Commission will send all its proposals to Parliament in due and proper form.

Secondly, the Commission will give every consideration to your amendments, but it is not prepared to give you a blank cheque. If we do not agree with your amendments we will give you valid reasons, in committee or in plenary session.

Thirdly, in the event of a dispute arising, as I said yesterday, not from confrontation or susceptibilities but from a genuine difference of opinion over the course to be taken, with that purposeful, dialectic tension between governments, which watch over national interests, and the institutions, which watch over the Community's interests — and that is where our responsibility lies — I will instigate fresh discussion, further debate in Parliament.

Fourthly, any proposal that is too watered-down will be withdrawn, but not before it has been discussed. And we will keep the public informed, for it could be all too easy for an institution to let a proposal hang fire for six months and then say that the others would have withdrawn it anyway. Withdrawal is a two-edged weapon, as you well know.

I would like to make a suggestion, if I may. Why don't you, with the approval of your enlarged Bureau, let us say twice a year, choose a subject which you, rather than the Commission would begin to study? Why don't you conduct the necessary hearings — if it is a difficult subject it will entail consulting partners, eminent specialists — and prepare a resolution as a basis for us to work on?

I think that if we could get an arrangement of this kind going, there would be better understanding, more scope for cooperation between our two institutions.

We would not be climbing alone; you would be with us, at least for that project.

'Beyond the Treaty of Rome'. Mr Estgen says we need to be careful here — he isn't the only one to say this. What I wanted to convey yesterday, and I gladly reply to Mr Pannella, who is at one and the same time amiable and impatient, caustic but for once gently so, is that we must be careful not to do nothing at all, that is to say we should not contemplate 'beyond the Treaty of Rome', but also we must not rush blindly ahead. Think about it for a moment. Let us assume that our ten countries agree on a new treaty. Let us assume, to

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simplify matters, that this new treaty encompasses the old one.

You can see the problems already. Some favour a small treaty within the present one; others want a separate treaty; still others want a totally new treaty. Let me make a simple assumption. Say, by some miracle, that an intergovernmental conference is convened in June 1986 and agrees on a new treaty to supersede the old one. When would this new treaty come into force? Three years later at the earliest. So what do we do for those three years? Do we meet to polish up the draft? To improve it? Or do we do nothing at all? If we twiddle our thumbs for three years, do you think the general public and our parliaments will have the heart to vote for the new draft? I think that the point is a valid one. We have to find the happy mean. There is no need to abandon 'the great beyond' but we must go on working here and now within the existing Treaty, all of the Treaty.

If we are to get this across to the general public we will need to improve communications. I have already suggested, without even consulting my colleagues, that Commission information policy should concentrate less on Smith and Jones, perhaps less on the Commission and more on Europe. And with your agreement, we could dovetail our information policies, so that everyone can see what is going on.

(Applause)

When we read European news and see, for example, that the Council and the Commission are at loggerheads, this is only of interest to a 'happy few', the specialists, but when do television and the press give Europe the exposure they give to other problems? And the fault is ours. It is not the fault of the journalists! They simply record what is going on. They observe us and see our agitated actions within narrow circles. A market in image-building is developing today. I have seen Italian producers making very successful advertising 'clips' and it makes me wonder whether we shouldn't ask the great artists to tell us in three or four minutes what Europe is. If Parliament, the Commission, and perhaps even Council agreed, we would be talking about Europe. Information could flow in two directions — the stuff of economic, social and cultural life. But there would also be information that would surprise even us. I believe that if the Germans knew what benefits Europe has brought and what those benefits cost: if the French knew how many of their laws are European rather than French, if the British were more aware of the advantages they have gained from joining the common market, even in unexpected areas, and so on, with talented people it could be done. I would ask you to consider the suggestion. It would be a change of style. It would exploit the new forms of communication on offer. Provided we find talented

people. To speak cleverly of Europe, to win support for Europe.

(Applause)

Mr Jospin described my speech as a happy mean. That is to say, balance. Europe, for me, sustains and exemplifies balance. In world terms it stands for balance for peace; balance in sharing world responsibilities; balance between North and South.

In institutional terms, it stands for balance between the institutions. Let each one do its job! And in terms of society it stands for the balance between society, the individual and nature, and the balance between the two sides of industry. I spoke of a European collective agreement yesterday. Obviously, it is difficult to render, but what it means is that the employers and the unions enter into a contract without intervention by the government or the institutions. So why deny Europe that basic ingredient of democracy and mutual recognition?

But beyond all that, honourable Members, balance is an attitude of mind, a philosophy of pluralism and democracy, for without pluralism Europe will never be. But pluralism must not be used as a pretext for reconciling opposing viewpoints and creating inertia! Our debates then will be tough and outspoken. There will be awkward moments between Parliament and the Commission. But our health and, I hope, our success depend upon it.

(Loud applause)

President. — The debate is closed.

The vote on the motions for resolutions on the appointment of the new Commission of the European Communities will take place at the next voting time.

I thank the staff for staying on and enabling us to finish this debate.

(The sitting was suspended at 1.15 p.m. and resumed at 3.15 p.m.)

IN THE CHAIR: MR PFLIMLIN

President

Mr Pannella (NI). — *(FR)* I merely wished to draw your attention, Mr President, to the fact that we seem to be spending less and less time on debate. This morning — I don't know why — we started at 10 a.m. instead of at 9 a.m.

We are starting late this afternoon, deducting the few minutes by which we overran our time after 1 p.m.

Pannella

Mr President, if we had been able to give an extra hour or hour and a quarter to discussing the Commission President's statement, this would have been a good thing. I thus appeal to you in your wisdom — which I know to be considerable — to see to it that we do not in future have to make this sacrifice for any old kind of triviality of laziness.

President. — Mr Pannella, we shall see in four years time what we have to do.¹

(Laughter)

4. Votes

Motion for a resolution (Doc. 2-1388/84), by Mrs Castle and others on the investiture of a new Commission: rejected

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Motion for a resolution (Doc. 2-1372/84/rev. II) by Mr Arndt and Mr Hänsch on behalf of the Socialist Group, Mr Estgen and Mr Habsburg, on behalf of the Group of the European People's Party, Sir Henry Plumb and Mr Prag, on behalf of the European Democratic Group, Mr Cervetti, on the investiture of the new Commission.

Explanations of vote

Mr Coste-Floret (RDE). — *(FR)* Ladies and gentlemen, I should like to explain briefly why, together with my honourable Friend Mrs Thome-Patenôtre, we shall be voting for the investiture of the Commission and giving a vote of confidence to the Commission. The reason are twofold.

The first is that we view this investiture procedure as a very real advance in Community law and one which is very desirable. There are two ways of advancing Community law: written legislation and custom. Custom cannot, of course, go against the Treaty, but it may cloud further its obscure areas. For example — just one example, for there are many — the European Council was not provided for in the Treaties: it came about as a result of custom and was subsequently formalized as an institution. Today, at the request and on the initiative of your Political Affairs Committee, Parliament has asked for the investiture procedure to be established. This is a step forward in Community law and we are in favour.

Secondly, the substance of the policy thrusts outlined by the President of the Commission is fully consistent with our own aims: better organization of the Community market, strengthening of the European Monetary System — particularly the private ECU — to make the ECU a reserve currency, convergence of economic policies, organization of a European social area, and the affirmation everywhere of human rights. In our view the Commission President has pointed the way towards a greater Europe and this, for Europe and the countries which comprise it, represents salvation.

Along this road, Mr President, you will find us and, I am sure, the vast majority of the European Parliament at your side.

Mrs Hammerich (ARC). — *(DA)* This investiture of the Commission appears at first sight absurd, since the Commission is after all appointed by the governments of the ten Member States. The debate and the vote are therefore a gesture without content. We play at being a proper Parliament, perhaps a second chamber, investing a proper government — only the ceremonial oath of office is missing. But it is an illegal game, without authority in any treaty. We therefore thought of abstaining from this vote, but we must register our protest because this procedure whereby the European Parliament installs the new Commission and votes for its programme is precisely one of the points on which the Danish Government had reservations in the Stuttgart Declaration. And a resolution of the Folketing of May last year states that the distribution of powers between the institutions should be maintained. For that reason, all Danes in this chamber should vote against or boycott these declarations of confidence and all their ridiculous union overtones, merely to place on record that they respect local democracy at home and that they respect their parties' programmes on EEC questions.

Mr Huckfield (S). — Mr President, the reason why I have not supported the Socialist Group resolution and will not be voting for the composite resolution is that I cannot approve and give my support to the statement which was made by the President of the Commission yesterday. In fact, when in his own statement, the President said that pulling down the frontiers would not convince the unemployed of our resolve to do away with unemployment, he summed up the thrust of my objection, because pulling down frontiers was more or less all he talked about yesterday.

He was talking about European collective agreements. He was talking about the benefits of the economies of scale of a larger market. He was talking about the European Monetary System. He was talking about convergence of the economies. Nothing of that will benefit the people who sent me here to represent them at all.

(Cries of 'Time, time!')

¹ *Topical and urgent debate (Communication) — Composition of the Commission: see Minutes.*

Huckfield

I represent an area where some 50% to 60% of the people in some of my housing estates are on social benefits, where youth unemployment can be as high as 90%, where we have more than 70% of the population in some areas dependent totally on public transport and where the cash economy has all but disappeared. For the Commission to come here and talk about the benefits of the free market and the enlargement of that market and to talk about *laissez-faire* capitalism — and I am very surprised to hear that kind of talk from a Socialist — will not benefit any of those people that I represent. The only thing that will benefit them is a planned economy and public sector investment. We heard absolutely nothing at all about that in yesterday's statement.

I would have hoped for a resolution — and that is why I shall be supporting one from the Socialist Group — saying that we need a political statement and asking the Commission to put forward its aims and objectives. I cannot vote for the other resolutions. They are a waste of time. They are empty and vacuous. I will not support them.

Mr Spinelli (COM). — (FR) Mr President, knowing that the order of business would not have enabled me to outline my ideas on the Commission President's speech I wrote him an open letter a few days ago which was published by four European newspapers and which asked you, Mr Delors, two crucial questions to which you could have replied today, without going into too much premature detail.

Firstly, I asked you to support Parliament's formal request to be associated as a partner — and I repeat, as a partner, not as a body to be consulted — with the intergovernmental conference which is to draw up the treaty of European Union. You have said nothing.

Secondly, I asked you to undertake to put forward, as soon as possible, a 1985 draft budget for your first year of office, based on your view of policy for the next four years rather than that of the Thorn Commission, with a specific rebuttal of the Council ploy of so-called budgetary discipline. You have said nothing.

I trust that you will break silence very shortly. Meanwhile I shall abstain from this vote of confidence.

Mr Cryer (S). — First of all, I am going to vote against the consensus resolution because I object to the use in Paragraph 1 of the word 'Europe' when it actually means the Common Market — ten countries out of 40 in the continent of Europe. As to the Commission being the guardian of the Treaties, it is worth reminding this Assembly that the Treaty enshrines private enterprise, competition and capitalism, a system that has produced 14 million people on the dole. The fact of the matter is that no capitalist knows quite what to do because the system happens to be failing. I

am certainly not going to vote for a Commission to be committed to propping up a system which is producing so much failure and so much misery.

Secondly, this resolution expresses its confidence in the new Commission. It is very curious for the Assembly to express confidence when the Commission has only just taken office and when only a few weeks ago this Assembly actually rejected the budget and levelled quite fierce and wide-ranging criticism at the preceding Commission. I am not blaming the new Commission. What I am saying is that before you pass a vote of confidence, you let them earn that confidence. They have been in office only a few days.

(Applause)

Let us give them a vote when they have got a record to stand over, when they can tell us what work they have done, when they can tell us that they have changed the present image of the Common Market which is one of warehouses bulging with food while millions are starving in Central Africa. When they have done something about that, let them come here and see whether they get a vote of confidence or not!

(Applause)

Mr Di Bartolomei (L). — (IT) Mr President, when asking for our vote of confidence President Delors was able to put his best qualities in the best light, offering an image of firm resolve and of considerable experience and competence: not least when he chose to deal under a single heading with the economic issues and the problem of unemployment. But having said that I have to tell you — and I speak for my Italian Liberal and Republican colleagues — that some points in Mr Delors's speech have caused me concern which his reply did nothing to dissipate.

President Delors has said: It is not enough to say what needs doing, we must also say how it is to be done. But he did not follow that admirable observation with any indication of how he intends to implement his own proposals: how he means to combat unemployment, promote development and so on. We shall have to see if there is more on that score in the programme.

Mr Delors also quite rightly said that the Commission did not want to be the secretariat of other organs. But if the Commission means to be an organ in its own right, then it must make its own decisions on those issues which have largely been responsible for the tension between Parliament and the Council: the 1985 budget, the budgetary discipline, own resources, enlargement of the Community. Mr Delors has said that the Commission will be the architect of European construction: but the foundations and the walls of this edifice are the institutional arrangements. Without new and robust Community institutions, any sectoral, economic or social initiative will be blown to smithereens.

Di Bartolomei

eens by the first gust of the nationalisms, colonialisms, imperialisms and communisms that are rife throughout Europe and the world.

Well then, to conclude: in the conflict between federalists and unionists that characterizes the present stage of European construction, I am on the side of the former. But I have to confess that we have not been able to discern what is Mr Delors's preference. For us, it is not enough to be told: Supposing we achieve agreement on the new treaty... We should like to know whether *he* is in favour of the new treaty and what the Commission intends to do to ensure that we have that treaty definitely and soon.

In a word: I applaud his formula but I reserve my judgment on the substance and the decisions which, I hope, will be presented clearly and before long. I shall cast my vote of confidence — but with some reservations.

Mr Pitt (S). — I shall vote against this resolution because I think it is silly. I think it is silly and absurd for this Parliament to be expressing confidence in a Commission which has been in office for barely a week. Most of the new Commission are people I have never heard of, and of those of whom I have heard I barely know just one. The resolution does not even distinguish between the Commission, which is an ongoing legal entity, and the new college of Commissioners, the 14 new people who have presented themselves to us this week in Strasbourg.

President Delors did not recognize — and this is my reason for voting against the confidence resolution — the sins of past Commissioners. Yet here we have a Parliament eager to vote confidence in 14 individuals who have as yet done nothing to deserve that confidence. Parliament refused discharge of the 1982 budget. Only last month Parliament rejected the 1985 budget. We have before us a Court of Auditors' report on the conduct of the financial management of the Community in 1983, on the basis of which I think it highly unlikely that later this year this Parliament will grant discharge for that year. I think it is absurd that we had no expression of a new change of direction in the financial management of the Community.

That Court of Auditors' report shows that there was an underspend of 400 million pounds — 43% — on Social Fund spending, which I think is outrageous. When things like that are put right, then I shall be ready to come forward and express confidence in individual Commissioners and in individual proposals of the Commission, but only then.

Mr Rogalla (S). — (DE) Mr President, colleagues! I have confidence in this Commission, as well as in its President and its programme and I shall vote in favour of this resolution. I must just mention that I made an

explanation of vote on the resolution of 13 December — there is therefore no need for another!

Mrs Dury (S). — (FR) Mr President, I would remind you that in our society, one person in two is a woman, and that women have no cause for satisfaction either at Mr Delors's speech or at the composition of the Commission. Not one woman has been appointed to uphold our hopes and safeguard our rights. Yet we are aware just how much women are currently under threat: they are the main victims of unemployment, and they are left behind in the wake of the new technologies. During this period of crisis they are subjected to an unprecedented ideological attack to get them back into the home and to belittle the rights which they have managed to wrest from society so far.

I hope, Mr President, that this Commission will include at least one voice to speak up for us and that it will have in it perhaps one 'woman's man' who will declare himself and defend our rights during a particularly difficult period.

(Applause)

Mr Wijsenbeek (L). — (FR) Mr President, there are still 29 members of the Socialist Group left. Are we to hear explanations of vote from all of them?

Mr Tortora (NI). — (IT) President Delors has courteously reproached us for our 'generous impatience'. We thank him for the 'generous'. As for impatience, we Radicals believe that in a Europe as backward as it is today, it is the only practicable virtue. Let me therefore say to Mr Delors that for the Radicals today it may be rational to dare, but certainly not to fear.

And that, briefly, is why we shall be abstaining from the vote. We are doing so with the following aims: to speed along — certainly not to shelve — Parliament's draft treaty; to reiterate the request we have been making since last June that the national parliaments be given the opportunity to ratify the European Union; to promote the abolition of internal frontiers; to promote increase in a rapid the value of our common currency; to support the projected rights of a Europe of the citizens and of civic rights within it; to support the North-South dialogue and action to combat deadly famine throughout the world.

The Radicals are today abstaining from the vote of confidence in the Commission. But we are doing so — as Altiero Spinelli has said — in order to bring pressure on the Commission and to help it, when President Delors's programme comes to be presented and discussed in March, to demand from this House a reasoned vote of confidence, not a shot in the dark as today's vote would have been.

Mrs Squarzialupi (COM). — *(IT)* Mr President, I give my support above all to the commitment given by President Delors to environmental issues in the context of European culture. Seen in this light, every damage to the environment is an expression of lack of culture and almost invariably implies violence. There is much violence in our countries, even the natural environment itself can be said to resort to violence, because it has been so much exploited. Irreplaceable natural resources have been plundered. Europe's creative powers should therefore be directed, for the benefit of mankind, to the preservation of our habitat, but we should not forget that our environment is, in the last account, an economic good, the source of wealth and employment. A proper environmental policy also means that our goals should be changed: our policies must not be oriented solely to profit, in the name of which incalculable harm has been done to many for the benefit of a very few.

Mr President of the Commission, you have given Europe a splash of green: we hope that you will go on to paint with a much broader brush, so that all Europe becomes green, that its natural resources which are the heritage of us all may be preserved, that the environment may be saved for the citizens of Europe and for their grandchildren. I shall vote in favour, in the expectation that you will keep your undertakings.

Mr Prout (ED). — Mr President, my group supports this consensus resolution; but, on its behalf, I would like to make two observations on the text.

First, we understand the expression 'as an independent institution' in paragraph 1 to mean an institution independent of the Council of Ministers and of the Member States, but not independent of Parliament.

Second, we take paragraph 3 to have the effect of confirming the Commission's appointment on the basis of President Delors's speech. In other words, Mr President, we are about to engage in a vote of investiture. It should not be construed by this House as a vote of confidence in the policies of the Commission. I make those remarks especially for Mr Pitt and Mr Cryer.

We look forward to the opportunity to express our confidence in the Commission's programme during the March debate.

(Applause from the European Democratic benches)

Mr d'Ormesson (DR). — *(FR)* The Group of the European Right will abstain in the debate on the vote concerning the investiture of the new Commission. We think that the main crisis currently being experienced by the Community is due to the fact that it has run out of own resources. It is the result of the Member States' refusal to agree to the measures needed to bring own resources back to an adequate level. And on this point

the Commission President's speech gives us no reason to hope.

We also note the Commission President's declaration that he will work towards harmonization of the rules on competition and the rules governing social costs in the Member States. How then can we reconcile this point of view with the decision that Spain should sign the Treaty of Rome on 1 January 1986? And how can we reconcile the free movement of individuals, goods and capital with the costly nationalization measures practised in some of the Member States? Consequently we shall wait until the deed matches the word. It is were already the case, we would acknowledge it.

Mrs Boserup (COM), in writing. — *(DA)* The Members of Parliament belonging to the Socialist People's Party will not be present during the so-called vote of confidence in the new Commission. We feel that this vote is an empty, symbolic gesture. It has been set up in order to present the public with an impression of power which Parliament does not have.

The Danish Government has — in a feeble attempt to conceal the aversion widespread among the Danish people to all this union-mongering — has taken refuge in various footnotes to the Stuttgart Declaration. Our party helped to force the government into adopting this position. We are not alone. A majority in the Folketing is against the strengthening of European Parliament power; there is therefore no democratic basis for Danish participation in this vote.

Mrs Cassanmagnago Cerretti (PPE), in writing. — *(IT)* In connection with the appointment to the Presidency of the Commission of a politician of Mr Jacques Delors's stature, the French President, Mr Mitterrand, said something like this: the Commission is the government of Europe and — in order to govern — a government needs men of this calibre. These words express quite well what we expect of President Delors and his team. We look forward, above all, to a resolute, skilful and firm policy which will reconquer for the Commission the role that is assigned to it in the existing Treaties — if not that of a fully fledged government, as envisaged in the new Treaty of Union, then at least of an autonomous and effective powerhouse of Community action that can engage in a fruitful and harmonious dialogue with the other two major institutions, the Council and Parliament, without in any way becoming subordinate to either. We must make real progress along two main directions in order to advance European integration which represents the answer, the only possible answer, to the problems, the expectations and the challenges that face us today in Europe: technological backwardness, the flight of capital, monetary disarray, rising unemployment, and the impotence of a divided continent in the face of threats to peace and of the needs of world justice. The first of these two great aims, as the Italian President-in-

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Office, Mr Craxi, has reminded us in a recent article, is the promotion of monetary integration, the establishment of a truly unified market, free movement of capital, coordination of research, a common industrial policy, a common agricultural policy that genuinely serves the interests of the Community, etc. — in other words things that can and must be done now, within the framework of the existing institutions.

The Commission will, of course, be more concerned with this first aspect — that is its natural role. Parliament, on its part, while not overlooking any of the current Community issues, will be taking care of the Treaty, seeking to ensure that European Union comes about, and that it is achieved quickly and well. But it is very important for the Commission and Parliament to understand each other and to give each other maximum support in every way.

It is also important that there should be no conflict between the two great directions, the two great aims: that of achieving integration as far as the present Community set-up allows and the search for a new, more sophisticated, more up-to-date, more democratic and more efficient institutional arrangement. Of course, it will be easier to obtain the consensus of all the member countries in the first sphere; the establishment of European Union will, of necessity, have to be confined in the first instance to those countries which are ready to take this important step. But the two directions are complementary, and indeed convergent.

I should like to mention here what is perhaps the most obvious example: that of currency unification. Not long ago the Governor of the Federal German Bank, Mr Poehl — who can hardly be described as biased, since he is no enthusiastic champion of a European currency — said that in a European currency system there ought to be a European central bank issuing the currency which is responsible for its stability and functions as the lender of last resort. All this, Mr Poehl added, needs an amendment of the Treaties. And that is the point: monetary integration cannot be carried through without institutional reform. And institutional reform is precisely what this Parliament proposes.

In fact, we might as well recognize that also in the other areas of Community life we cannot go very far without institutional reform. The treaty instituting the Union, let us remind ourselves, does not favour one institution to the disadvantage of another: it raises the status and the decision-making capacity of the *entire* European structure and of *each* of its institutions, including the Council and the European Council. That is why, Mr Delors, we expect your wholehearted support for our project.

Mr Welsh (ED), in writing. — I shall vote for the emergency resolution because I welcome the investiture of the new Commission and admire its manifest determination to make progress. I was particularly

impressed by the personal commitment and dynamism of President Delors.

However, I much regret that Parliament has seen fit to take a vote at this time. This is the beginning of a dialogue which will culminate in March when there is a debate and vote on the detailed programme of the new Commission. That will be the time for Parliament to endorse the Commission's programme and assert its confidence.

In the meanwhile I wish the new Commission well but must reserve my confidence until the detailed programme is available and can be examined, more particularly because there were elements in President Delors's presentation which I would find difficult to accept without a long period of reflection.

(Parliament adopted the motion for a resolution)

Mr Delors, President-in-Office of the Commission. — (FR) Mr President, may I simply thank Parliament not only for its vote, but also for the quality of the debate we have had and the quality of the suggestions put forward. We might say that as of now our problems start.

(Applause)

5. Radioactive waste

President. — The next item is the report (Doc. 2-1365/84) by Mr Turner, on behalf of the Committee on Energy, Research and Technology (Doc. 1-283/84 — COM(84) 231 final) on

a proposal from the Commission to the Council for a decision adopting a programme on the management and storage of radioactive waste (1985-89).

Mr Turner (ED), rapporteur. — Mr President, may I first of all say that I would ask for a ruling from you that Amendments Nos 9 to 22 are out of order because they are amendments by Mrs Bloch von Blottnitz to the explanatory statement of the Commission.

President. — You have raised the question of the admissibility of these amendments. The answer is this: these amendments are not admissible since they refer to the explanatory memorandum. Now, what we have here is a text from the Commission; the Assembly has to vote on the resolution itself and not on the explanatory memorandum. Therefore those amendments that concern the explanatory memorandum are not admissible.

Mr Turner (ED), rapporteur. — Mr President, I am very grateful to you for that ruling.

This report is on a proposal of the Commission which relates to two wholly different subjects in effect of vitally different importance. The first one is what we are to do eventually as the final solution with all the nuclear waste which is at present being produced in Europe. This concerns future generations up to 2 000 years from now. The second question, very vital for us, concerns what we are to do about the nuclear waste which exists now in the EEC and is being stored temporarily from power stations as it is used up and will remain stored in a temporary way until a final solution is found. That, of course, concerns us very much now at the present time. If I may give one example, in Great Britain the amount of medium and highly dangerous nuclear reactive waste which exists and has been collected over the last thirty years amounts to enough to fill a 15-floor office block and in France, although they started later, probably already have more such waste than would fill the whole of a 15-storey office block. In another ten or fifteen years this amount of waste will be doubled and we must decide what to do with it now and what to do with it when we eventually want to dispose of it in a final way.

The present proposals are the result of fifteen years' work on this problem. 70% of the money has been spent on actually dealing with the temporary storage and safety of nuclear waste which is awaiting final disposal. I am very glad to say that this present 5-year programme will result in conclusions being drawn up which will permit standards to be laid down for the EEC for all nuclear waste handling throughout the EEC until its time of final disposal. That means dealing with contamination, containers and transport, conditioning for intermediate storage, concentrations, segregation, matricing and also gaseous waste. All those matters at the end of this five years will be completely finished so far as the EEC is concerned. We shall then have the material available for laying down EEC rules for the handling of this waste until it is finally disposed of. The European Parliament has, in fact, asked that these rules shall take the form of a directive or directives rather than a recommendation to the Member States. Tomorrow I hope that Parliament will accept this proposal of the Committee on Energy, Research and Technology that the conclusions of this work shall be in the form of directives to the Member States rather than a mere recommendation.

I am particularly concerned about this matter as I live within 8 miles of a nuclear power station. Although I believe that we have very good regulations in Britain already, as no doubt there are in France and other countries too, my own belief is that in a matter like this we want a policy of 'belt and braces'. I am happy to think that the Commission has got together all the countries of Europe to try and harmonize safety regulations and views on safety. The outcome of this work will be an ideal or complete management system for

dealing with nuclear waste until final disposal and it will enable anyone dealing with nuclear waste to see it with a new eye. Every authority so far has laid down its own regulations for the particular circumstances of its own site. In future they will have the EEC ideal regulations to look at as well.

I now turn to the second important issue. This is the one which causes great dispute and controversy. It is what we are to do in the end with all this waste. As I say, there will probably be 200 000 cubic metres of this waste in fifteen years' time. It is an enormous amount and something must be done. The second part of the proposal for the next five years of investigation by the EEC under this joint shared-cost scheme is indeed to find possible solutions for the final disposal of nuclear waste. I do not think for one moment that we shall arrive at a final answer in five years. Indeed, the committee is asking for a guarantee after five years as to the efficacy of the sort of disposal that we are considering, which I will tell you about in a moment.

We will not, of course, be able to say 'This is perfect, this is guaranteed safe'. What I hope we will be able to say after five years is that this is not incapable of being made safe in the future. We may be able to rule out particular methods of final disposal. We will not be able to guarantee any particular final disposal as being absolutely safe, covering as I say some thousands of years of storage.

The proposals are for three pilot schemes for geological disposal. One in a salt mine at Asse, one at a clay deposit at Mol in Belgium and one in granite rock in France. If we do this, at the end of five years, I think we will be able to say that yes, all three are probably going to be alright or no, one is not alright and the others need further consideration. I think we shall get as far as that. A lot of work has already been done by the present 10-year programme which is now concluded on the nature of the strata of rocks, on subterranean water, on micro-organisms which may develop underground, on the behaviour of nuclear waste *in situ* in the places and in matrices and on the behaviour of containers in various circumstances and on backfilling and so on. However, during the next five years, which are the last five years of the programme, we shall have the actual practical pilot testing. It is said in the Commission proposals in Task 6 that they will then draw up standards for final disposal, and I hope they will. Certainly we will go a long way forward.

I would say to anybody in this Parliament who is concerned about the matter — and I am sure anyone who thinks about it is very concerned — that although we do not have to dispose finally of any of this waste for a very considerable time, now is the time to start working on how to do it when the time comes. If that is the way we are going to handle it — that is not, however, the final solution for some considerable number of years — then of course it is doubly vital that in the intervening period we have safety regulations which

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are acceptable to all and have been considered not only, as I say, by national authorities concerned with their own particular sites, but by the authorities of all the ten countries and by the scientists brought in by the EEC, so that we can safely say they are being looked at with a fresh eye by other people than those who are directly responsible in any particular site.

So, Mr President, I hope that tomorrow we will not shirk this issue and that we will adopt the programme which amounts to about 92 million ECU, the other half being paid by the national authorities.

The European Parliament has said that it is not convinced that the present advisory committee — which does work well — of the national governments, which advises the Commission on how to carry out this programme, actually does spread the information far enough outside its own rather closed circles, the authorities of the ten countries. It is difficult therefore to get scientists who can be consulted and who know all about what is going on, unless they are very close to the government authorities. We have therefore asked for an interim report after two years from the Commission as to the efficacy of the programme. We have also asked for running talks to be carried out from now on between experts involved in the project, so that at the end of two and a half years we can get a report as to whether they feel that the programme is going in the right way.

(Applause)

IN THE CHAIR : MR DIDO

Vice-President

Mr Ford (S). — Mr President, I am pleased this afternoon to be able to speak on behalf of the Socialist Group on this issue. The Socialist Group recognizes the value of European cooperation in scientific and technical research and development. In fact, it recognizes the *necessity* of cooperation across Europe in terms of research and development on this type of issue.

We have to be clear that it is not always a purely technical issue. Much of research and development has political implications. In the case of nuclear waste disposal we have to be crystal clear it is a major *political* issue throughout Europe. It is about the politics of risk; small risks, but uncountable consequences. It is about the politics of the environment. It is about the dangers of widespread pollution and the problems you have surrounding nuclear sites like Sellafield. It is about the public acceptance of new technology. It is about the public acceptance of the views of scientists and their belief in what scientists are doing. It is about

the future, as Mr Turner said, and I suspect that future will have to be rather longer than 2 000 years.

In dealing with this issue I want to talk about some of the principles that we have to follow. This situation has been with us now for over 40 years. The Americans first started disposing of nuclear waste in the middle 1940s, yet we have reached no reasonable solution as to how we manage nuclear waste and how we dispose of it.

Vitrification, which was held up as one of the options that we should follow, has been very long on promises and very short on results. We were also told that reprocessing would reduce the problem. Yet it is very expensive, it creates the dangers of nuclear proliferation and it has done very little if anything to deal with this problem. What we need to be looking towards is direct disposal rather than indirect disposal through the intermediate step of reprocessing. Yet, the situation is extremely urgent because between 1980 and the year 2000 nuclear power will have increased in Europe by a factor of 7, it is estimated. The volume of low-level nuclear waste will have increased by a factor of 4, whereas the amount of high-level nuclear waste — and that is what should be concerning us today — will have increased by almost 25.

There are two reasons why we have to deal with this matter urgently. We have to deal with it because we have a problem now on our hands which is going to increase, and we have to deal with it if there is to be a nuclear industry in the future. Less than 1% of that nuclear waste will be high-level waste, but that will contain almost all the radioactivity.

We have to recognize the changing social and political environments. There is increasing public concern about nuclear waste and about its dumping and disposal. We had the situation where the Americans, Japanese and the British and a number of other countries were engaged in ocean dumping. Many of us will have seen the dramatic film of *Greenpeace* objecting to this practice. Because of the pressure exerted by the Pacific island nations through the cooperation and collaboration of organizations like Han Genpatsu in Japan we had a situation where the London dumping convention asked for a two-year moratorium. We had a country in the European Community ignoring that moratorium until it was forced by the action of the National Union of Seamen and by the protests that were going on in the United Kingdom, to finally abide by that moratorium.

We also have the problem with particular sites. We have the problem in my own country — which is where, of course, we continued ocean dumping — of a proposal to dump on land at Billington. There was a massive public outcry and protest. Even ICI, one of the world's largest companies, was forced to move and to actually withdraw its support for that proposal. That is not because ICI has been converted; it is

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because ICI recognize the public fears, and many other people in this Parliament will know of public concern about disposal sites proposed elsewhere.

Now the public no longer trust the assurances that they have been given and unfortunately the public has been proved too right in the past, as in the tragic situation in Bhopal. People were warned in advance of what was going to happen there. Yet this third programme fails to recognize this changed environment. Previously we had a situation where we were going for ultimate disposal. We were going to get rid of these wastes for ever; we were going to dilute them into the ocean or the atmosphere, or we were going to concentrate them and then ultimately dispose of them in tombs in the ground or beneath the sea bed. They were going to be isolated in abandoned mines or deposited in the deep sediments of the ocean and we were going to rely on man-made and natural barriers to try to prevent leakage. We have to be clear that natural barriers are barriers that we have to be interested in because those are the ones which are ultimately going to prevent the waste from leaking. We have to make sure our work programme reflects this.

We also must recognize that what we can no longer have is dumping at sea in any shape or form. We need to make sure that that is in our resolution. We need to make sure at the same time that what we are talking about is no longer *ultimate disposal*, but *ultimate storage*. Because we must be able to monitor these wastes and recover them if anything goes wrong. At sea many people would argue there should be no disposal at all — no dumping, no disposal. My own view is that there are technologies that can be made available; drilled emplacement that will allow for recoverability and monitorability. They will be more expensive than using the penetrometer or similar methods, but waste disposal is only a small part of the cost of the nuclear fuel cycle.

On land we must also be working on sites for ultimate storage. We must be looking at the appropriate materials, particularly granite and salt. I personally have reservations about whether clay will ever be suitable, but that is a personal view and not the view of my group.

We must also say at this time that, eventually, industry is going to have to pay for this work, because if there is going to be competition it needs to be on a fair basis. Coal needs to compete with nuclear energy when all the costs are added on and not when some of the costs of nuclear power are carried by the general public, not when some of the costs are carried by national governments, resulting in a fiddled economic basis for nuclear power.

The technology must reflect political realities. This must always be the case. Technology cannot be separated from politics; it is part of the political process. If we are not to waste our money — which we are in

danger of doing in pursuing the programme as outlined here — we must reflect the social concerns that our people have.

On the Turner report, unless we recognize that we have to change the technology so that the waste is recoverable and monitorable; unless we recognize that we must critically examine reprocessing again, I am afraid to say that the Socialist Group cannot support the resolution as it stands.

On the amendments from Mrs Bloch von Blottnitz, there are a number of those amendments that I have sympathy with. We will be supporting some of them, others we will be abstaining on because we feel either that we have a better formulation in our amendments or that technically they are incorrect. They have been placed, on a number of occasions, in the wrong position for the purpose intended. I ask members of the Socialist Group and Members of this Parliament not to support the Turner report without the necessary vital amendments that I have outlined.

Mr Sälzer (PPE). — (DE) Mr President, we know from the history of mankind that we have no chance of improving our social and economic living conditions unless we take risks, which means that, just as in the past, there is no possibility of improving man's lot now or in the future, unless we have the courage to take a calculated risk. There can be no doubt that the peaceful use of atomic energy in the past and in the present has shown that there is such a possibility of improving our living conditions, especially where the protection of the environment is concerned.

The peaceful use of atomic energy — be it for energy production or medical applications — like everything else in this world has two sides: the positive, which is to be welcomed, and the negative. Radioactive waste is undoubtedly the negative side. There have to be facilities for storing that waste. For that reason nobody — whether he be for or against the peaceful use of atomic energy in the field of energy production or in the medical sphere — can speak out against anything which leads to the discovery of responsible ways of storing the waste. Without any measure of doubt this is a classic Community problem for the EC. This is particularly true in the case of highly radioactive waste, which is the central point of the Turner report. It is a classic Community problem for various reasons: firstly, we must have uniform safety standards to protect the inhabitants of the European Community and beyond. Secondly, we have to realize that all the member countries have similar problems of storing highly radioactive substances. Thirdly, it is possible to offer far cheaper solutions by means of a Community programme. Fourthly, in the interests of the inhabitants of the Community, we should utilize the possibilities for ultimate storage which occur naturally, particularly in geological formations. For this reason we are very much in favour of the Commission's proposals and of

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Mr Turner's report in particular. On behalf of my group I should like to thank Mr Turner very much for the caution and the expertise which he exercised in drawing up this report, and for presenting it so expertly in the Committee on Energy, Research and Technology that we were able to adopt it in committee by a large majority.

The present programme, on which we have to vote tomorrow, is the third one. The second programme has already enjoyed great success. It was laid before the highly critical international scientific community at a European conference on radioactive waste and received international recognition. Anyone who says that the handling of radioactive waste is still an unresolved problem, in the face of this conference and of the basic facts on which the third Community programme is based, is simply not telling the truth. Anybody who simply laughs it off and disregards the facts is doing something far worse than not telling the truth. He is revealing his ignorance.

We particularly welcome the way in which both the report and the Commission's proposal recommend that we carry on in the same way as before, namely that we try to obtain international cooperation beyond the frontiers of the Community on the disposal of radioactive waste. The European Community is an efficient unit worldwide and is successfully and expertly solving a problem at an international level in cooperation with other partners.

Mrs Faith (ED). — I welcome this report, which has been so ably presented by my honourable friend, and I also agree with the previous speaker when he spoke of the benefits of nuclear power. Moreover, 100 000 people are employed in the nuclear industry in Britain alone, many of them constituents of mine employed at both the nuclear power-station at Heysham and at Sellafield, and soon there will be 10 000 people directly employed at Sellafield. I have visited and seen for myself the start of the new 1½ billion Thorp project, which has received huge amounts of European financial assistance.

Today most nuclear waste is stored on site at nuclear establishments, and I have seen at Sellafield the storage of spent fuel. Progress is being made at Sellafield in working with the French on a project for dealing with high-level nuclear waste for vitrification.

Windscale, opened in 1956, was the first nuclear reprocessing plant in Europe. This plant, which is part of the Sellafield complex, has been a pioneer in the reprocessing of nuclear waste.

It is only by experience that this important process can be fully and safely utilized. BNFL, who run Sellafield, have promised that by 1991 the amount of low-level nuclear waste discharged into the sea will be very small indeed, and lower than that discharged by Cap de la

Hague — the only comparable plant in Europe. If Europe is to reduce its dependence on oil, nuclear power, supplementing power from coal, is essential. Management and unions at Sellafield and Heysham are proud of the contribution they are making to our energy supplies and to the economy as a whole.

I believe that some of the people in the pressure groups who are so critical of the nuclear operations are out to undermine our industrial base.

Radiation levels are subject to stringent regulations, and these include sampling and analysing air, milk, fish, shellfish and other materials.

Cumbria is a healthy place to live, as well as beautiful. The district of Cumbria in which Sellafield is situated has an incidence of cancer well within the national average.

Sir Douglas Black, Britain's foremost preventive medicine authority, led an inquiry into the tragic incidence of children who have died from leukaemia in the village of Seascale. He said that there was no proven direct link between these cases and Sellafield, and clusters of leukaemia do arise in other parts of the country where no nuclear activity is present.

Certainly, people do need to know as much as possible about all aspects of nuclear power. I believe that one of the most important tasks of the European Community is to carry out research into nuclear energy production and, above all, into nuclear waste disposal as this is a major cause of concern. Therefore, I welcome this report and support its proposals.

Mr Ippolito (COM). — *(IT)* Mr President, ladies and gentlemen, the problem of the management and ultimate disposal of radioactive waste from nuclear fuels is undoubtedly one of the most important issues in the peaceful utilization of this energy source. Not only because of the inherent difficulties which, according to most experts, can in principle be resolved, but notably because public opinion, which is in many cases misinformed, and is psychologically conditioned by the military associations of this energy source and the abominable circumstances of its first use, is constantly presented with this problem as being virtually insoluble and full of uncertainties.

Yet this is by no means the case: it is several years now since a committee of the most eminent experts at the International Atomic Agency in Vienna unequivocally declared that the problem could be solved, provided the necessary studies and research were undertaken. Many years ago the Commission of the European Communities initiated a study of this problem and the results were highly praised by specialists in all the countries. The programme of research on the management and storage of radioactive waste to be developed over the next five years — the third such programme

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to be initiated by the Commission — is not only the logical continuation of the research carried out so far but also, for the first time, seeks to determine a complete management system for nuclear waste. Mr Turner in his report, for which we shall be voting, rightly calls it an effective and promising programme of research.

The answer to the problem of radioactive waste must be sought predominantly in the European dimension, because some of the member countries do not possess in their territories those geological formations in which the products of nuclear fission can be safely stored. The Turner report rightly calls on the Commission to prepare an estimate of the amounts of low- and high-level radioactive wastes produced by existing power stations and those planned for construction until the year 2000 which will have to be stored in Community territory.

It is because solutions to these problems will have to be found in a Community framework that we ask the Commission to define common criteria for the drafting of procedures and administrative rules for the management of these wastes: by their nature, these problems must be regarded as supranational or transnational. But we also want more. We ask the Commission to present at an early date common rules for the management of radioactive waste in collaboration with both those European countries which are, so to speak, land-locked within Community territory and with OECD member countries, such as the United States and Canada.

Mr President, before I conclude let me appeal to the new Commission once again for the utmost intensification of joint research in all technological sectors. As I have stated more than once in this House, Europe has been able to obtain significant research results only in those areas, for example nuclear fusion or high-energy physics, where it has undertaken joint efforts; if research remains confined within national limits it will only lead to waste of physical, financial and human resources, to duplication of effort, overlapping of programmes — with results that cannot compare favourably with those being obtained, say, in the United States or Japan.

Mr Nordmann (L). — (FR) I should like to add to the laurels heaped upon my honourable Friend Mr Turner by congratulating him on a good report and a good resolution following a good proposal.

The question of nuclear waste continues to pose the problem expressed in the title of a famous play: 'How to get rid of it?', and the proposals put before us enable us to make progress towards a solution. If there is to be continuity in our research into energy resources the scientific programme now before us is necessary, indeed essential to the development of nuclear energy. A number of findings to date are encouraging, but the

question of the final storage of high-level waste remains open, and, whilst there is no great urgency here — since this waste can be temporarily stored for several decades — we ought now, by means of coordinated experiment, to devise the best possible long-term technical solutions. The measures envisaged by the Community follow these lines and are consistent with our desire to see the Community independent as far as energy is concerned.

Of all the Community measures I would say that this is the greatest benefit of the new programme, both in political terms and as regards converting some of the present-day anti-nuclear lobby.

The proposal before us envisages Community participation in the execution of pilot projects.

The Community role will thus be to add to the national measures without duplicating them, so that each side shall complement the other.

As regards environmental protection and public safety, the Commission's proposals should make for progress and reassurance. Burial of nuclear waste in geological formations seems to be a promising avenue. These promises must be kept thanks to continuing research involving geological project study and knowhow.

Consequently we cannot but welcome these proposals and hope that their rapid implementation will give a new thrust to this policy of energy independence, practising not so much the art of the possible — in terms of which policy is often defined — but rather that more subtle and more difficult art of making possible that which is necessary.

Mr Fitzsimons (RDE). — Public opinion in the Community is extremely worried by the development of nuclear energy, and in particular by the solutions to be found for the storage of radioactive waste. This is why we welcome the third research and development programme as proposed by the Commission. It is noteworthy that for the first time the proposed programme provides for a complete management system for radioactive waste. No complete study of storage management systems has been produced so far. The major advantage of a complete system would be that the storage and disposal of radioactive waste could be carried out in a manner acceptable to the public. We must, however, separate what can be achieved in the medium term through the third Community programme and what has to be done right now in this field to reduce the permanent discharge of effluents into the Irish Sea.

I would like to draw Parliament's attention to this serious problem, which calls for an urgent solution. I condemn the total discharge of between a quarter and a half a tonne of plutonium waste to date from the Sellafield pipeline into the Irish Sea, which is recog-

Fitzsimons

nized as a special risk area. The operators of Sellafield should put an end once and for all to further discharges from the Sellafield nuclear reprocessing plant. It has been estimated by HOPE that the health impact cost to Ireland per year is in the region of 160 000. We receive none of the benefits and all the disadvantages of the Sellafield operation. Last Friday week, two British nuclear plants in North Wales, a mere 60 to 70 miles off the Irish coast, were shaken by an earthquake. The only guarantee possible that a tremor at Sellafield will not rupture the cooling ponds in which spent oxide fuel is stored is the total closure of this plant. The enormity of the consequences of a loss of control at reprocessing plants has not been faced up to, at least publicly. The widest possible informed debate is necessary. I believe such debate is being deliberately frustrated. I call on the new Commission to agree to undertake a thorough scientific examination of the potential hazards of all aspects of the Sellafield operation in relation to Ireland.

I also urge the Commission to include a detailed analysis of the potential hazards to Ireland arising from the transportation and storage of nuclear waste. All shipments of nuclear waste contracted between British Nuclear Fuels and Sweden, Germany, the Netherlands, Spain, Italy and Japan are routed through the Irish Sea. It might be expected that official safety studies and public debate on the maritime transport of spent fuel would be given considerable attention. However, this has not been the case. Following the accident in 1984 involving the French vessel, the *Mont-Louis*, the European Parliament requested the governments of the EEC to comply strictly with minimum conditions for the movement of high-risk, dangerous and radioactive substances and wastes. According to a study commissioned by an environmental organization, a single ship may carry up to 34 tonnes of highly radioactive material in a non-fail-safe condition. From official investigations, the environmentalist report says that only the Scandinavian authorities were thorough enough to consider maritime transport hazardous.

The Irish Sea is recognized as a special risk area. Recent disasters involving chemicals in Mexico City and in Bhopal are added warnings. The time to face the reality of Sellafield, the nuclear plants in Wales and the routing through the Irish Sea of highly dangerous shipments of nuclear waste, is now. Colleagues, we cannot wait until common supranational standards or rules are adopted. I ask the Commission and Council to act now by intervening with the British authorities to ensure that appropriate measures are taken, notably to reinforce the treatment of effluents, and by so doing to reduce the importance of discharges into the Irish Sea from the Sellafield plant.

Finally, Mr President, my group can support the resolution contained in the Turner report and congratulate the rapporteur.

Mrs Bloch von Blottnitz (ARC). — (DE) Mr President, a programme for the management and storage of radioactive waste is highly desirable and, of course, urgently necessary, since we are continually building new nuclear power stations, without — either at the design stage or by use of a model — having found a solution to the problem of what to do with the radioactive waste — neither in the Community nor in the United States. I should just like to refer to the study 'Global 2000'. A programme of this type should not offer excuses, but that is exactly what this study does. It says that a solution to the problem of disposing of low and medium level radioactive waste has already been found. The solution has *not* been found, because shallow burial of such waste, as practised by France and the United Kingdom for example, cannot be a solution, since it is only artificial barriers which prevent the radionuclides from entering the biosphere. It is definitely not a solution to sink the radioactive waste at sea, which is what the United Kingdom, once again, Belgium, the Netherlands and Italy plan to do, and in some cases have done already. It is similarly no solution to store the waste in vats in giant hangars — as in Germany for example — and to leave them for future generations.

For example, on the very day one of these vats was delivered to my home town of Gorleben, surface radiation was 7.5 times higher than the permissible level and the vat had to be sent back to the power station. It can be seen therefore that the problem of LAW and MAW waste is far from being resolved. Another important point: a programme of this type may not be vague, and this programme *is* vague. It says that the theoretical feasibility has been proven, and a few paragraphs later it says this programme is intended to demonstrate the theoretical feasibility. I ask myself just what the facts are!

This programme is also incomplete in that there is absolutely no consideration of ultimate storage and ultimate storage is precisely what is needed, because then a great deal less waste would be produced and many fission products would simply not occur. Furthermore, there is no comparative study of different types of rock in the programme. Granite could be one possibility, clay could be a possibility, salt could be a possibility — all these are missing. Moreover, a programme should state clearly what its aims are. This programme contains various statements: 80% is for the future development of atomic energy, 20% is for environmental protection. But we all know full well that it is difficult to reconcile the two. We should also ask what is involved, this programme is costing 200 million ECU — and that is no mean sum.

There are two different objectives. One is the artificial barrier system. This includes the packaging or conditioning of solid, liquid or gaseous radioactive waste. In the case of artificial barriers, packaging could be suitable, but for strontium and caesium at the most, as they both have relatively short half-lives. The other radio-

Bloch von Blottnitz

nuclides — plutonium, neptunium, iodine — on the other hand have a half-life of thousands of years, artificial barriers are out of the question and it is natural ones that are needed. Years of research have so far produced no solution to this, such as vitrification.

It is far worse in the case of radionuclides generated by reprocessing. These are e.g. tritium, crypton, carbon-14. There is still absolutely no solution to the problem of packaging them. In this case the requirements set for natural barriers have to be very high, because this refuse — and we must be perfectly clear on this point — is highly toxic to man and the environment in equal measure for thousands of years. It is not for nothing that the Americans have commissioned a study of how man in the year 12000 is to recognize the refuse we have buried.

The requirement which should be recognized is for comparative localized studies. Then there should be investigation of ultimate storage. The solution has to be accessible and verifiable at any time, and we must also examine what is to be done with the resultant refuse when nuclear power stations are decommissioned — no consideration has been given to this. The sinking of radioactive waste at sea must be banned.

Above all we should reflect on the utility of nuclear energy and preferably use resources for a study of what should be done with the refuse. I also draw to your attention the opinion which I have been able to draw up for the Committee on the Environment, Public Health and Consumer Protection. Unfortunately my speaking time is too short for me to be able to go into it at greater length. Despite that I thank you for allowing me to exceed my speaking time.

Mr Pannella (NI). — *(IT)* Mr President, thanks to the intervention of Mrs Bloch von Blottnitz I need not take long over the answer, already given by her, to the reassuring words of our friend and colleague Felice Ippolito who obviously thinks that all is for the best in the best of worlds. He believes that something practical can be done soon, if it has not been done already.

Mr Turner's report is undoubtedly sensible and rational and we can only congratulate him on his excellent work. But that does not alter the fact that the real problem lies elsewhere. If what we are doing essentially today is to try and minimize the risk, and the possible cost, to our own and future generations, of making the wrong choice, we should also seize the opportunity to state something with which Mr Ippolito will, in sincerity, have to concur, namely that all the forecasts which argued in favour of this type of nuclear fuel — enriched uranium — were both wrong and deceitful. Deceitful, because they were based on supposedly accurate estimates of energy demand, whereas experience has shown that those estimates were fraudulent. They referred to macro- and micro-models of industrial development which already at that

time were out of date and in computing the costs of the uranium option they fraudulently suppressed the costs of recycling spent fuel and of safety precautions which are an integral part of the economics of nuclear power.

A few days ago the Danish Government, of which in other circumstances I am no great admirer, decided, in effect, to go back on its nuclear option. This is a wise decision and we feel it is becoming a matter of increasing urgency for the Commission and for Parliament to show intellectual courage and to review, in the light of the economic experience of recent years, the premises on which it was decided that by the year 2000, in only 15 years, nuclear power should supply 40% of our energy requirements. If this target were to be realized, we should find ourselves in the position of today's France which is already obliged to sell its surplus power to neighbouring countries, for instance Italy, at prices below production costs. France, what is more, is today forced to consider the possibility of changing its industrial development plan.

But we all know that the solution to the unemployment crisis lies not in further industrial growth but in development of the tertiary sector and of new productive activities which are much less energy-intensive.

It follows that while, on the one hand we can praise and support Mr Turner's work, we must, on the other, urgently call on the Commission and Parliament for a review of the decisions which have already been made. We do not wish to be alarmist in any way, but we must come to recognize what the facts prove: that those decisions are wrong and that they were based on inaccurate forecasts.

Mr Glezos (S). — *(GR)* Dear colleagues, I feel that man is the victim of an age-old pitfall. The knife he used for cutting bread could at the same time kill another human being and the fire he used for warmth could at the same time burn him, yet he believed that nuclear energy could be used exclusively for peaceful purposes and not for war. For whole decades men strove to prevent nuclear energy being used for war purposes. Yet still the pitfall claimed its victim. Unfortunately, all scientists admit that in the dumping of waste there is absolutely no guarantee of safety, and that this applies also to the mining, processing and usage of uranium ores and as regards the possibility of radioactive leakage from nuclear reactors.

As far as radioactive waste is concerned we have got round to saying that we can store it in geological structures, because people do not understand what is meant by geological structures. I ask these expert scientists: do they include alluvial rocks among the geological structures in which we can store radioactive waste? We also have the enormous problem of in no circumstances being able to have a guarantee that nuclear energy will be used solely for peaceful pur-

Glezos

poses. On top of this, scientists have lately come up against a massive new problem. The biosphere receives a certain amount of radiation from the sun, and its thermostatic balance ought not to be disturbed. In making use of nuclear energy, however, we add to the radiation it receives. Have we weighed the consequences? I think not. I therefore appeal to all Members not to be satisfied with half-measures but to demand a halt to the use of nuclear energy, that research be carried out and that its use be resumed only under conditions of total safety.

Mrs Lentz-Cornette (PPE). — (FR) Mr President, if we are to appreciate the need to conduct research into the management and storage of radioactive waste, I think we should consider a few figures.

At the end of December 1983 there were in six countries of the Community a total of 146 nuclear power stations in service or under construction: 8 in Belgium, 61 in France, 27 in Germany, 6 in Italy, 2 in the Netherlands and 42 in the United Kingdom. In a number of countries more than 30% of the electricity produced is nuclear in origin, nearly 50% in France. And had it not been for this high percentage in France I think we would have been in serious trouble and still would be as a result of this cold weather, particularly in the French regions, including Alsace where we are at the moment.

Europe today is the front runner in nuclear technology. A number of European countries, for example France and the Federal Republic of Germany, which were once importers of nuclear technology, are now exporters.

Given that nuclear energy occupies a prime position in the European and world economic order, the problems of waste management and storage are extremely important. It is thus vital that the programmes begun within a Community framework should be continued. And we are glad to see a new dimension to international cooperation in the form of burial — the matter has been widely enough discussed — in salt, clay or basalt.

In order to protect man and this environment we must cooperate and deal with the radioactivity of waste materials. The main sources of radioactive waste are all nuclear power stations and the various plants involved in the fuel cycle, but there are also laboratories, research centres, industrial plants and hospitals. A new source, and one which will be an enormous one, is the future decommissioning and dismantling of nuclear plants.

Most members of the Committee on the Environment approve of this third research programme, since it will enable the best possible solutions to be arrived at jointly for the treatment, processing and final storage of radioactive waste. And I ought to say here that the

report presented by Mrs Bloch von Blottnitz was rejected by the majority of our Committee on the Environment, which is why it has been appended, as a minority opinion, to the excellent report by Mr Turner.

The best solution would clearly be to recycle energy materials, a method which will in fact be used by a Belgian and a French company which are shortly to market a mixed uranium-plutonium fuel which can be used in reactors powered by ordinary water. An ideal solution would be to transform nuclear waste into lower-level or less harmful products, but this is not feasible in the near future.

Our Committee has declared itself opposed to the dumping of nuclear waste at sea on several occasions, and Parliament upheld this view on 25 October 1984 in Document 2-840/84. We note that this fact is not taken up in the resolution of the Committee on Energy, and we regret this. The programme speaks of sea bed dumping. We believe, however, that it is better to bury waste on land rather than at sea, as it will be easier to monitor afterwards. Parliament has said yes to the use of nuclear energy. It will naturally say yes, too, to the research programmes which aim to make this energy source more profitable and above all, safer. Safer for future generations and for their environment.

Mr Seligman (ED). — Mr President, my group fully supports the Turner report and its excellent explanatory statement.

I would like first to sweep up one or two points that have arisen in this debate. First, I would remind Mr Ford that the Socialist Group has supported the last two programmes in this area. Is he now going to be inconsistent and condemn the third programme for some reason or other? Is it something to do with the mining problem in England or something like that? Anyhow, I ask him to bear in mind that consistency is important.

Mr Fitzsimons is very worried about Sellafield. He cannot be all that worried because he has disappeared, but he can be assured that the safety of the Irish Sea is a major consideration and is affected obviously by the construction of the new Thorp (Thermal oxide reprocessing plant) project and the reconditioning of the old Sellafield plant. I think he can be sure that the Irish Sea will be well looked after.

The opinion from the Committee on the Environment, Public Health and Consumer Protection by Mrs Bloch von Blottnitz mentions Gorleben. Was anyone in fact injured at Gorleben? She talks about radiation, but I don't think in fact that there was any practical problem.

The opponents of nuclear power keep spreading fear about the safety of nuclear waste disposal. That is their

Seligman

main weapon against nuclear power. That is why they cast doubt on all these alternative ways of storing and disposing of nuclear waste. Mr Ford and Mrs Bloch von Blottnitz said that there was no solution to the problem of permanent storage, but scientists are satisfied that they have found a perfectly satisfactory long-term solution to the problem of storing high-level waste, namely, vitrification and storage in deep geological pits. However, they do need more research to develop and perfect these techniques and to prove their long-term reliability. That is why I and my group support this third five-year programme.

In the amendments to the Turner report and in the debate which followed, there have been many fallacies. Fallacy number one was Mr Ford saying that reprocessing of nuclear waste is not necessary. If we do not concentrate high-level waste by reprocessing it, we will need to find 33 times more storage accommodation for that high-level waste, which is only 3% of depleted fuel rods. If Mr Ford then says that it is going to be 25% bigger by the end of the century, multiply 33 by 25 and you have really got a big problem in storing this waste if you do not reprocess it and concentrate it. In America Mr Carter did stop the reprocessing of nuclear waste, but America has got enormous areas for disposal. We have not got that in Europe. When we have finally solved the problem of the long-term disposal of high-level waste, we shall be far ahead of the USA in this nuclear technology.

Secondly, reprocessing is a major industry. BNFL has 2 000 million pounds worth of export contracts in hand for the next ten years, and Cogema in France is in a similar position. Reprocessing employs 40 000 people in Europe. Nuclear power itself probably employs another 300 000.

There is another amendment saying that the cost of the programme should be met by reducing reactor development. As you know, we depend on nuclear power. 16% of British electricity comes from nuclear power. What we would do without it I do not know. In France it is 50%, as has been said already. It is going to be 75% by the end of the century. So an attack on nuclear power is an attack on cheap, clean, safe energy. It will damage the economy and increase unemployment if we get rid of it.

Mr Kuijpers (ARC). — (NL) Mr President, there are two major problems associated with nuclear energy, reactor safety and radioactive waste. Where the storage of radioactive waste is concerned, the protection of the public should have priority. This safety presupposes that a final solution is found to the problem of radioactive waste. This means that final storage at a limited depth should be rejected since the waste is then isolated from the biosphere only by its container. If anything goes wrong with the container, the biosphere is no longer protected.

The dumping of this waste at sea must be rejected for the same reasons. As regards storage in geological formations, a great deal more research should be carried out into the influence that various factors have.

In short, the protection of the health of the public is of primary importance. Final solutions must be sought to the problem of radioactive waste, and the benefits of nuclear energy must at last be thoroughly reviewed with a view to discovering lasting sources of energy.

Mr Stavrou (PPE). — (GR) Mr President, I think that the compactness of Europe on the one hand and the accelerating rate of growth in amounts of radioactive waste on the other — as many colleagues, and in particular the British speaker, have today emphasized — make the known dangers more tangible in Europe than anywhere else. I believe that these dangers may turn out to be fatal in countries which already have a high level of pollution and, let us not deceive ourselves, from our experience to date we know that there is no safe method of disposing of radioactive waste, whether it be dumping at sea or storage in disused mines, or any other method.

Mr President, the need to find a replacement for the non-renewable energy sources is disputed by no one. So I ask whether now is not the time for us to press ahead in a systematic way with the utilization of the so-called renewable energy sources and I am thinking specifically of wind and solar energy which, as we know, are in abundant supply in a great part of the Community. I believe, Mr President, that we must make use of the potential offered to us by wind and solar energy without delay because these constitute a clean and effective way of renewing energy resources.

Mr Narjes, Member of the Commission. — Mr President, I should first like to say a word of thanks to the rapporteur for his excellent report, and I am very pleased to be able to address my first speech of this legislative period to someone whose excellent report has accompanied me from the previous legislature. At the same time I should like to thank you all for the many suggestions which have been made in the course of the debate.

The problem of radioactive waste, and its ultimate storage in particular, affects everyone. Public opinion is concerned about the risk to man and the environment and people are worried about long-term safety, irrespective of whether the threat appears to come from their own country or from neighbouring countries. Nuclear energy is a reality in the Community. For a long time to come it will, in the Commission's view, make an increasing contribution to the Community's energy supplies. Disposal of nuclear waste is the final stage of the fuel cycle. The problem is to develop safe economic and technological solutions, and also to guarantee the safety and protection of man

Narjes

and the environment. Both these tasks — the safeguarding of energy supplies, which also entails keeping options open for those countries for which nuclear energy is not yet a viable alternative, and the safety of man and the environment — are the aims of the programme which we are discussing today.

Since 1975 all the important work on disposal of radioactive waste in the Community has been complemented and coordinated through our own joint research programme. The previous programmes produced good results. This was confirmed by the auditors, who systematically evaluate the success of all Community programmes. They unreservedly praised the programme from the point of view of its aims and scientific quality, especially the quality of the results. Neither did they have any criticism of the management. But in the nature of things this task is a long-term one.

The previous programmes concentrated on the economic and technical aspects, but a start was made on systematic development and provision of suitable ultimate storage sites. Disposal of low level waste is well advanced. By the end of the century we must be ready to introduce technological resources for the disposal of high-level waste. The solution to this problem has to be based on accurate knowledge of geological conditions. This knowledge cannot be acquired in the short term, the complexity of the subject matter calls for continuing research over a long period. For this reason the current twelve-year Community action plan, which runs from 1980 to 1992 and is concerned with radioactive waste, aims to provide the long-term framework for the continuation of Community action. The action programme envisages that the Community will receive regular information on the position regarding disposal in its territory. This meets one of the demands of the rapporteur and one which was reiterated by many speakers during the debate.

A first report was drawn up in 1983. It clearly shows that the technical knowledge acquired over a period of ten years does offer theoretical solutions to the problems of the treatment and ultimate storage of radioactive waste. The 1983 report did indicate, however, that in a new phase the results obtained in the laboratory had to be translated into realistic pilot schemes and confirmed by them.

This new dimension is incorporated in the new research programme which is now being submitted to you for an opinion. In addition to the continuation of various research tasks it is also planned to carry out *in situ* experiments to demonstrate ultimate storage in different geological formations. These *in situ* experiments are to be carried out at various locations in the Community and have the support of the Member States concerned. They are intended to provide practical evidence of ultimate storage. The rapporteur, quite rightly, attached particular importance to this section of the programme. It is in fact a political effort

and not just an important research effort. The programme is, therefore, also a reply to the request from this House, expressed in the resolution of 18 January 1984 in association with Mrs Walz's report on the ultimate storage of radioactive waste and the reprocessing of spent fuel elements.

In conclusion I should like to examine one further point, which was also stressed by the rapporteur, namely the need for widespread cooperation beyond the frontiers of the Community. International cooperation, both bilaterally and within the OECD, is an integral part of our programme. It also gives the Community access to the results of scientific research in all the Western industrialized countries and is essential if the aims set by the programme are to be achieved on time.

Of the proposed amendments the Commission is able to accept Amendments 1 to 3, 6 to 9, 13, 17 to 19 and 24. It is unable to accept the others for various reasons, including the fact that some are not part of the programme.

Mr Turner (ED), rapporteur. — Mr President, I am delighted that Commissioner Narjes is now in charge of high technology and research. From our experience of him in the past I look forward to great strides forward in that field.

I hope that Mr Ford will reconsider very carefully the advice he gives to his group. He raised the question of vitrification. Now that is thoroughly studied in the proposals put forward, which go into the question of whether vitrification is the best way and what are its weaknesses. He raised the question of natural barriers. That is thoroughly studied in all the proposals put forward. He raised doubt about clay. That is what the Mol experiment is all about. Finally, he raised questions about the monitoring of geologically buried waste. Now that is all covered in part B, where the three options — Asse, Mol and granite — are examined. Clearly, when one sees what happens there, one is going to get the ability to monitor.

Finally, he mentioned the question of recovery. We accepted the amendment he put forward himself that there should be a study of means for recovery in the event of breakdown. Now what we are saying is that those studies will cover all his worries. He is now adding a further requirement that there must be the ability to recover in all future cases. But that surely is going too far, because this is only a research programme. It is not a plan for the future development of European energy. It is a research programme to give guidance after the programme is over. So I ask him to reconsider seriously his advice to his group. I hope he will support the report tomorrow.

President. — I declare the debate closed.

President

The vote will take place at the next voting time.

6. *Controlled thermonuclear fusion*

President. — The next item is a report (Doc. 2-1330/84), by Mr Salzer, drawn up on behalf of the Committee on Energy, Research and Technology on

the proposals from the Commission of the Council (Doc. 1-342/84 — COM(84) 271 fin)

- I. for a Council decision adopting a research and training programme (1985-89) in the field of thermonuclear fusion
- II. for a Council decision complementing Council Decision 84/1/Euratom, EEC, of 22 December 1983 — realization of a tritium handling laboratory.

Mr Sälzer (PPE), rapporteur. — (DE) Mr President, in this present industrial age we are, not for the first time, consuming more raw materials than can be replaced by natural regeneration. We need only think of the progressive depletion of wood supplies, particularly in the Mediterranean area, in earlier centuries. At the present time we are experiencing the very radical depletion of fossil fuels and uranium supplies. It is therefore natural and understandable for researchers to try to open up new sources of raw materials, particularly those for energy production, which are renewable, i.e. which are available in more or less unlimited quantities.

In the Community we are repeatedly occupied with conservative projects involving renewable energy sources. This includes in particular efforts to use wind, water, solar and geothermal energy to satisfy energy requirements as well as using a specially prepared biomass. We all know that if these ambitious schemes become reality in the Community, by the end of the century we shall perhaps be in a position to cover 6, 8 or perhaps 10% of our energy requirements in this way. But these are all figures, and more hope than reality. Nevertheless we all know that the problem of energy consumption primarily affects the developing countries, not the industrialized ones, because of the increasing world population, especially in regions where there is little industrial development. Several decades ago this familiar scenario led people to ask the interesting question whether it might not be possible to bring the sun's fire to earth. So that this should not remain just a dream, scientists in many countries set to work and examined the physical foundations of solar energy production, to see whether it could be reproduced on earth.

The result — as you all know — was research into nuclear fusion. We have been able to make considera-

ble progress in this area in the last five years, but we already know that even if we continue to pursue research into nuclear fusion with the necessary dedication and at considerable cost, we shall probably only be in a position really to exploit this possible source of energy thirty or forty years hence. We must recognize — and I have tried to make this clear in my report — that there is a very real risk that this ambitious project will come to naught, because we cannot be certain that research and development will actually lead to the objective which man has set. We know only one thing: in the situation in which we find ourselves today, it is obvious that even if there is no increase in world population, which — as you all know — is pure delusion, we are today consuming irresponsibly the energy resources which later generations will need simply to survive. That is why it is our very special duty to take the necessary precautions now, so that when the energy shortfall becomes dramatically apparent, our grandchildren will have the resources which will give them a chance of survival in this world. If fusion research does produce viable results, those results would be capable of resolving a sizeable part of our energy supply problems, because nuclear energy is a renewable, alternative form of energy in a revolutionary sense, and not just in the conservative sense of exploiting the possibilities already mentioned.

Above all though, it could be available in quantities which, in view of the demand, provide a reasonable answer to the requirements posed. We can already be sure that, by comparison with nuclear fission, fusion energy has the inestimable advantage of reducing the potential hazard from radioactivity several-fold. Some people mention a factor of a hundred, others a factor of twenty. It will be somewhere between these two values, which indicates that, even in the most unfavourable circumstances, the potential hazard is extraordinarily low. But we run the risk of not being able to say now definitely that fusion research actually leads to technically viable and economically feasible applications. Like many scientists and practical experts, I have estimated the risk and can with a clear conscience speak in favour of continuing our fusion programme: in my opinion, it is a calculated risk, in which the pros so far outweigh the cons, that anyone who is thinking of future generations and acting politically has no other alternative.

We, the European Community, can be proud of the fact that Europe today occupies a leading position worldwide in the development of nuclear fusion, which was not the case two or three years ago. The size of the project and the considerable resources which have to be found over the next two decades mean that we should not abuse that position by trying to leave others behind. We should in fact exploit it to pursue projects on which negotiations had reached the point of signature years ago, with America and Japan, but also with the Soviet Union — the newest developments this year give us some hope of this. I am thinking of one of the next fusion installations, which is

Sälzer.

already a technological generation further advanced, the so-called Intor project. This is a good example of international cooperation from the point of view of a sensible application of resources, but also as evidence that nations are capable of and ready for peaceful coexistence above ideological frontiers.

According to the report and the Commission's proposal we also have to consider the construction of a tritium laboratory. As rapporteur I — like the great majority of the Committee — consider that at the present stage of development a tritium laboratory of this kind is needed urgently. We have experience of handling tritium as a result of military research in the UK and France. But the results obtained from handling tritium for purely military purposes are not adequate for non-military purposes, as all the experts confirm. We have to set a high level of safety requirements to protect the population. But on the other hand we must have free and unrestricted access to the necessary technical and physical data.

Let me just say one thing in conclusion, Mr President. The existing state of fusion research in the European Communities shows clearly that if the members of the Community pool their economic and intellectual powers, we are capable at any time of taking up the challenge and occupying a leading position internationally. Thus the research and development programme in the field of nuclear fusion is not only a great opportunity of solving the energy problems of the next millenium, it is also a sign of hope, in that the peoples of Europe have a great future, if they come together to pool their potential and their capabilities.

Mr Seligman (ED). — Mr President, on a point of order, Amendment No 8 is attributed to the Committee on Energy, Research and Technology, when it should in fact be attributed to Mrs Bloch von Blottnitz. This is rather an important fact. The Committee on Energy, Research and Technology did not ask for a 90% reduction in expenditure on nuclear fusion. This should be known to the whole Chamber.

Mr Linkohr (S). — (DE) Mr President, ladies and gentlemen! The Socialist Group will, as before, vote in favour of the 'Fusion' research programme. I should like to thank the rapporteur, Mr Sälzer, once again for the trouble which he has taken to incorporate critical opinions in his report as well.

The fusion programme seems to me a good example of what European research can do when it wants to produce a joint programme. The fact that this is so successful in the case of fusion research is almost certainly because to a large extent it is possible for the project to develop autonomously — i.e. independently of the competent bureaucracy. I can only recommend this procedure for other research projects and other centres in the Community. Its success is almost cer-

tainly also due to the fact that we have a multiannual plan, which means continuity of research.

I think it is an extraordinarily good thing that there is international cooperation on the fusion programme. I could wish that the United States would follow the European example and make the transfer of technology a matter for scientists and not the defence department. I would also make cooperation with the United States subject to the transfer of technology taking place in *both* directions.

In the case of this — very expensive — project it is important for there to be public dialogue, which means that the results of the research have to be made available for public discussion, because it is clear that — however great the euphoria may be on one side or the other — we are groping around in the dark. None of us can say whether what we are doing now at such expense will be viewed as optimistically in 20, 30 or 40 years time by those who come after us.

Since no-one knows what will happen, I think it important that we surround fusion technology with a public dialogue and do not exclude the public from the discoveries which are being made here. I should like to give two examples of our inability to extrapolate into the future: five years before Otto Hahn and Fritz Strassmann split the uranium atom, Ernest Rutherford, who had displayed an atomic model in public as early as 1912, had said that the discoveries being made in atomic physics could never make any contribution towards solving world energy problems. Five years later came the proof that it was in fact in some sense possible.

Or take the problem of the build-up of CO₂ in the atmosphere: I can quite well imagine that in two or three years time there could be a very nervous debate here in Parliament on the build-up of CO₂ in the atmosphere — a debate which, at that time, will be pushed aside, because we do not know enough about it. That is why I think it important that we create a public for this research project — and that we be able to apply the brake at any time if things go wrong, or if the hazards are greater than the potential benefit.

There is another point which should not be last sight of. Let us assume that in 40 or 50 years time we are in fact capable of constructing a fusion power station — it would mean a highly centralized energy supply, because experience so far indicates that a fusion plant will be substantially larger than a present-day light water reactor. That would entail quite different energy supply structures and we should have to ask whether we in fact wanted them. Perhaps we would prefer to have a decentralized power supply. This is a matter which is not being discussed here, and can of course not be discussed, because we have nothing to hand and still do not know what such a power station will look like.

Linkohr

Finally permit me to explore a point which — I say it quite openly — I find difficult: the tritium laboratory. The Council of 13 December 1983 made provision for 'Projects of European importance' in the budget of the Joint Research Centre and earmarked 12.5 million ECU for it. 'Projects of European importance' — one could imagine many things which that might mean without getting an inkling of what the Council's motives were. The motive behind it, as we now know, was almost certainly the construction of a tritium laboratory at Ispra, one of our research centres. I have nothing against Ispra — my fellow members know that — and also think that we must master tritium techniques. What does worry me — I say it quite openly — is the procedure, and the fact that it was said, 'It must go there', without any consideration being given, for example, to whether a laboratory could be constructed somewhere else, or without there being detailed consideration of the safety conditions to be met. As far as I know adequate consideration was not given to the British and French offers to make their experience in handling tritium available to the Community, and I have read in a declaration by the British and French delegates from 1982 that such an offer was made to the Commission at that time.

Let me say once again: I am not against a tritium laboratory in principle — we probably need one. But I think it important for this question to be examined much more carefully than in the past. Above all we in Parliament would like information about the talks which have been held with the British and the French — e.g. in Paris on 17 December 1984 — and whether anything new transpired which could be important for our decision here.

President. — The debate will resume tomorrow morning since we have now to proceed to the next item on the agenda.

IN THE CHAIR: MR NORD

*Vice-President*7. *Action taken on the opinions of Parliament*

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

Mr Simmonds (ED). — Mr President, I understand from the Commission that its report does not contain this month's comments on legislative matters discussed

in last month's part-session, but that there will be a report made next month to Parliament.

My question related to the Gautier report on competition policy and, most particularly, to the subsidies that were being given to the horticulture industry in Holland. I wish to ask what progress has been made to rectify this situation which was adversely affecting my constituents.

However, Mr President, I have been assured by the Commission that an answer to my question will be forthcoming before next month's part-session. Therefore, I am happy for the Commission not to reply this afternoon.

Mr Gautier (S). — (DE) A remark and a question to Mr Simmonds: I note in the meantime that the Commission has once again initiated proceedings under Article 92 against the Netherlands. I believe that to be in our interest. But now for my question to the Commission with regard to the December part-session, namely how and on what kind of time scale the Commission intends to take a decision on the motions for amendments which Parliament adopted on the guidelines for lead in petrol and the guidelines for vehicle emission standards. I should be grateful if we could have a more detailed indication of what action the Commission intends to take.

Mr Clinton Davis, Member of the Commission. — Mr President, first of all may I say that I am indeed grateful for the opportunity to offer an expression of view about this extremely important matter, and it gives me the first opportunity that I have to address this Parliament. I think it is to be underlined that the issues that the honourable Member has referred to are of the utmost gravity and significance.

The issues covered by the Sherlock report are significant from a number of points of view — for example, protection of the environment and human health, from the point of view of conservation of energy, from the point of view of the well-being of major industrial sectors, particularly those sectors which are engaged in the production of motor vehicles and also in relation to petroleum refining. Another point of significance is that which relates to the maintenance of the unity of the common market which was underlined by the President in his address.

The European Council in Dublin called for an agreement on Community guidelines for the reduction of lead in petrol and for vehicle emissions. It also plans to undertake substantial and substantive discussions on environmental issues for the meeting it is proposing to hold in Brussels at the end of March. In the weeks before the European Council, the Environment Council will return to the questions of atmospheric pollution and, in particular, the two items covered by the

¹ See Annex.

Sherlock report, namely lead in petrol and exhaust gas emissions from motor vehicles. To this end, it has set up a high-level working group to examine the problem of exhaust gas emissions and to report at the end of January. It is the hope of the Commission that it will in fact take decisions.

Many of the issues related to lead in petrol and motor vehicle emissions are obviously closely linked. This has always been recognized by the Commission and indeed by Parliament. Consequently, we must be wary, for all the reasons that I gave at the very beginning, lest changes in position on say lead in petrol make more difficult appropriate Community solutions on exhaust gas emissions. But we must have at the front of our minds that these proposals deal only with one aspect of the overall attempt to reduce atmospheric pollution.

The Council in March will also be considering the Commission's proposal on reduced emissions from large combustion plants, the subject of the report by Mrs Schleicher. Here I shall also be determined to work in order to achieve rapid progress, which I am sure is the will of Parliament. There are other actions necessary in order to tackle atmospheric pollution and the Commission is already pledged to make proposals very shortly.

What I want to stress is that this Commission shares the view of Parliament that the Community as a community needs to act speedily in this area in order to — as the President put it — achieve credibility.

To return to the question of the follow-up to the Sherlock report, I shall in fact be meeting the Committee on the Environment, Public Health and Consumer Protection of this Parliament at the end of January. It will be our intention at that meeting to discuss our future work, and by that time we shall be in a better position to judge the possibility of progress on motor vehicle emissions as a result of the work of the high-level group.

Parliament will know well the Council's position on both the issues covered by the Sherlock report. I am aware of your views and we aim to present proposals towards the end of the month, and I undertake to keep this House fully informed.

May I just say this in conclusion: I look forward to working constructively with Parliament in the environmental field and, indeed, in all the fields for which I have responsibility. Positive results here are absolutely central to the concept of a citizen's Europe and to the partnership between industrial progress and maintaining, indeed improving, the quality of life in our society. I shall be accessible and receptive as far as this Parliament is concerned to ensure that we always have an effective dialogue.

(Applause)

Mr Sherlock (ED). — Mr President, I merely want to say that that was a fuller and more welcome report than I could ever have expected at this stage. I should like, in welcoming Mr Clinton Davis both to the Parliament and especially to the Committee on the Environment, Public Health and Consumer Protection, to say that I accept his reassurance of the earnest intent that he has already displayed and of his determination to act with speed. High-level is one thing, speed is another. Thank you so much, Commissioner.

Mr Seligman (ED). — Mr President, we have lost ten minutes of Question Time. Will you add it on?

President. — I shall see what I can do. As you know, it is not only our decision.

8. Question Time

President. — The next item is the first part of Question Time (Doc. 2-1366/84).

We begin with questions to the Commission.

As they deal with the same subject, the following questions will be taken together.

Question No 1 by Mr Marck (H-286/84):

Subject: Price of natural gas

I was astonished to hear that the price of natural gas supplied to the horticultural sector in the Netherlands was reduced by 10% on 1 October 1984. This is in breach of the agreement reached between the Commission and the Netherlands Government in 1982. Can the Commission say what action it intends to take against this distortion of competition?

Question No 19 by Mr Bocklet (H-466/84):

Subject: New special natural gas tariffs for the horticultural sector in the Netherlands

When it set the prices for natural gas in September 1984, the Netherlands 'Gasunie' once again granted preferential tariffs to the horticultural sector, which are creating serious distortions in the competition with the horticulture of the other Member States.

What steps has the Commission taken to deter the Netherlands from breaching the EEC Treaty in this way, and what lessons has it drawn from its experiences with the infringement proceedings instituted in 1982 on the same subject, following the failure of the Netherlands Government to honour in full the assurances it gave at the time?

Mr Narjes, Member of the Commission. — (DE) The Commission was informed by the Netherlands government that Landbouwschap Gasunie had concluded a new contract relating to the price of supplies of natural gas for the period 1. 10. 1984 to 1. 10. 1985. During its last sessions the previous Commission had already examined all available documents relating to this preferential tariff and came to the conclusion that the resultant financial advantage had to be regarded as a subsidy. It decided to open proceedings against the Netherlands in accordance with Article 93 paragraph 2. In its view the establishment of this new tariff is contrary to the agreement of 29. 7. 1982, which laid down parallel pricing for supplies of natural gas to the horticultural sector and supplies of natural gas to industry.

Mr Marck (PPE). — (NL) I am grateful to the Commission for this explanation. I should just like to ask if the measures it may be considering will also result in the retroactive withdrawal of these advantages to the Dutch horticultural sector, because we are talking about an advantage of probably 13 to 14% over its competitors.

Mr Narjes. — (DE) The Commission is aware of this matter. If I am correct, it is already being discussed in the current negotiations with the Netherlands. Should the discussions not reach any conclusion, this question will have to be clarified by the European Court of Justice.

Mr De Gucht (L). — (NL) I should like to take up this point. It is not the first time that the Commission has had difficulty with Nederlandse Gasunie over gas prices. Does the Commission not think that it is now high time for action to be taken against these abuses before the Court of Justice? If we have to wait several months before effective steps are taken, a great deal of time will again be lost. It seems a very clear-cut case to me. Why does the Commission not bring it before the Court of Justice of the European Communities straight away?

(Applause)

Mr Narjes. — (DE) I sympathize with your question, but I must point out that the Commission's letter to the Netherlands was sent off on 27 November, the reply was received on 21 December, further talks were held on 8 January and we are at present trying to decide as quickly as possible what decision should be taken. We cannot simply take action against a government merely on suspicion, there have to be concrete infringements; but when there have been proved to be concrete infringements the problems of retrospective effect will also be taken into consideration.

Mrs Larive-Groenendaal (L). — (NL) Three brief questions, Mr Commissioner. Is it not true to say that everyone is free to conclude a contract with Nederlandse Gasunie stipulating the same price for his French, German or British large-scale horticultural consumers as that paid by Dutch market-gardeners?

Secondly, does the Commissioner not feel that the distortion of competition to which Dutch market-gardeners are exposed as a result of the pollution of the Rhine should be considered in the assessment of this matter? I think it is a scandal that Dutch market-gardeners should be forced to invest enormous amounts of money because across the border, despite all the agreements that have been reached, all kinds of muck is still being dumped in the Rhine.

Thirdly and finally, if the Commission takes action, should it be aimed at this one, specific category or should account not also be taken, for example, of the recent measures taken in favour of German farmers, who are being granted all kinds of VAT concessions?

Mr Narjes. — (DE) The lady member has raised three different problems. Firstly, the question of Gasunie's ability to conclude contracts. In principle there is no objection to it. The problem — as the earlier proceedings against Gasunie showed — is that this is a parastate utility and its contracts are in the nature of tariffs. Because of this, as you know, proceedings were taken against the Netherlands in 1981/82 and there was considerable controversy.

The second question does not seem to me to be very relevant in this context. The pollution of the Rhine by salt and the distortions of competition in the horticultural sector are too far apart for it to be construed as grounds for not taking action for contravention of the Treaty under Article 92(2).

Third comment: if there are complaints about inadmissible aid to German horticulture, which the Commission does not know about, we should be very grateful if they could be referred to us.

President. — Four British Members of the European Democratic Group have asked to speak, and according to the Rules, I may call just one of them. Following the order in which they notified their wish to speak, those Members are Mr Simmonds, Mr Seligman, Mr Welsh and Mr Howell. One of them may speak. If the other three have no objections, I shall call the one who gave his name first, and that is Mr Simmonds.

Mr Seligman (ED). — I am sure I speak on behalf of all my colleagues in Britain.

President. — Excuse me, Mr Seligman, but I called Mr Simmonds as he was the first. Perhaps he will agree that you should speak in his place.

Mr Seligman (ED). — Mr Simmonds is a good friend of mine, and his name sounds like mine!

(Laughter)

The concern here is for retrospective action. The Dutch started this in October and it took until December/January before any action was started. By the time it is completed the Dutch will have had a whole season of cheap energy, selling tomatoes and flowers in Britain and other places, with no action being taken. You must get some effective retrospective action on this.

Mr Narjes. — *(DE)* I can only repeat what I said just now: the Commission is aware of the urgency of this matter. My colleague, Franz Andriessen, who has responsibility for these matters, once again explained to the Press yesterday, that he will act as quickly as possible and that it is in fact only a matter of days until the Commission reaches its decision. We have learnt from the experience of the previous case that quarterly action drawn out over a period of months can in fact lead to disequilibrium and economic distortions.

Mrs Lizin (S). — *(FR)* In the reply he has just given to Mr De Gucht the Commissioner let slip the notion of retrospective effect. I believe — and I am not the only one to have said this — that the passage of time creates difficulties, not only in those sectors related to horticulture. In Hainaut, for example, a large coal chemicals company has experienced difficulties, and still does today, as a result of this policy of the Commission and its paralysis or lack of action.

How does the Commissioner envisage this retroactive effect? Will the Commission ask for the losses sustained by the companies in question during the current period to be assessed and compensation provided for in the Court's judgment?

Mr Narjes. — *(DE)* The Commission is now conducting, and will continue to conduct, negotiations with the Netherlands government about ending these discriminatory tariffs. The question of civil actions for damages will only arise if there is no retrospective effect and only then will it be possible to answer the lady member's question.

Mr Fanton (RDE). — *(FR)* The Commissioner has just made one or two allusions to precedent. He said just now to his immediate neighbour that one should not act on suspicions. Every year, or every winter, the Government of the Netherlands repeats the offence. It counts on the Commission's inertia to see it through till March. Then the matter rests and we start all over again in October.

Does the Commission not think it would be a good idea to start proceedings on 1 October so that we do

not have to wait till spring before arriving at the conclusion that there is no longer any point in doing anything?

Mr Narjes. — *(DE)* I understand the concern behind this question. My previous comment concerned the general question of whether one can take proceedings against a potential offender on grounds of suspicion. My answer was, no, there have to be concrete infringements. In the present case my references to the years 1981 and 1982 were intended to convey that everything in dispute was discussed at that time and that the relevant sectors of competition in Belgium and Germany were substantially damaged by the long drawn out nature of the discussions.

In the light of this experience we are fully aware therefore of the necessity of acting fast, as my colleague Mr Andriessen has already stressed.

Mr Gautier (S). — *(DE)* Is the Commissioner aware that the question of split gas tariffs also has a negative effect on the rest of the European fertiliser industry? My second question: in the Report on Competition Policy, which Parliament approved in December, there is one paragraph which calls on the Commission to recover and to pay into the Community budget, aid granted illegally, as is the case here, where the Commission has instituted proceedings in accordance with Articles 92 and 93. Has the Commission already considered this question?

Mr Narjes. — *(DE)* The question of the effects on industrial activity of gas tariffs which distort competition is a special problem, which has no direct bearing on horticulture or on the precedents mentioned.

We are of course aware of the second question. If I could just refer to Mrs Lizin's question: the injured parties gain nothing when money is paid into the Community's coffers. They would of course like to have compensation themselves.

President. — Question No 2 by Mr Fitzsimons (H-296/84):

Subject: 1986 — European Road Safety Year

In view of the fact that the EEC's Transport Ministers have agreed to designate 1986 as European Road Safety year, will the Commission indicate what special proposals it hopes to see put forward for young people and the elderly?

Mr Clinton Davis, Member of the Commission. — The Commission has just sent a communication to the Council setting down its first thoughts on the content of Road Safety Year 1986. This suggests that further research into ways of improving safety for the young

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and the elderly would be a valuable part of the Community's work in this area.

As the new Commissioner responsible for transport, may I add that I take the issue of road safety very seriously; ways must be found to reduce the appallingly high numbers of people killed and injured on Europe's roads, not least in the honourable Member's own country, and, of course, the young and the elderly are particularly at risk. This is a matter which will occupy my fullest attention in the months ahead as we prepare for Road Safety Year 1986.

Mr Fitzsimons (RDE). — First of all, may I wish the Commissioner well in his task ahead?

In view of the tragic situation in Ireland, where more than half of the children who die in accidents are killed in traffic accidents and, indeed, a high proportion of elderly people as well, would the Commission not agree that there is a need for a massive information campaign aimed at lowering significantly these appalling statistics, and will the new Commission give a commitment that it will take action immediately in the matter?

Mr Clinton Davis. — I thank the honourable gentleman for his good wishes — I certainly need them! I am very much aware of the problem to which he has alluded. I would add that I have a personal reason for saying that, in that my own mother was seriously injured in a road accident some two years ago. The whole purpose of the road safety programme that we are envisaging is to draw attention to the gravity of the problem, and, more than that, to invest the programme with a number of important proposals which I shall be announcing in due course. I am grateful to the honourable Member for referring to this important matter.

Mr Moorhouse (ED). — May I offer my own wishes to Mr Clinton Davis for success in his new role as Commissioner responsible for transport?

Coach safety is a matter of great concern these days following a number of recent accidents on the road leading to many deaths and injuries throughout the Community. Would, therefore, the Commissioner indicate what plans, if any, he has to take action on a Community-wide basis to improve safety for coach travellers, who particularly include young people and the elderly?

Mr Clinton Davis. — I am grateful to the honourable Member for his good wishes. I must not receive too many good wishes from the right, because my credentials may be in jeopardy.

The points raised by the honourable gentleman are very important indeed and go to the very heart of our

thinking on this Road Safety Year. We are going to look, among other matters, at the design and road-worthiness of motor vehicles, including coaches. We shall also be examining coach drivers' hours and responsibilities. One of the things which I personally noticed outside Westminster Abbey a few weeks ago was the proliferation of coach drivers who also act as tour guides, and I am not sure that those two things are compatible.

Mrs Dury (S). — (*FR*) When a particular year is formally given over to a specific problem or category of people, there is always the danger that that problem or category will be forgotten in subsequent years. A case in point is the Year of Disabled Persons. It appears that efforts on their behalf are now declining.

I would like to ask the Commissioner if, in this Road Safety Year 1986, he intends to consider anew the case of the physically disabled. For them, mobility, suitable vehicles and parking facilities and the ability to get about in safety are very real problems.

Mr Clinton Davis. — The honourable lady has made a very important contribution. Looking at the whole area of road safety, one cannot exclude anybody. The question addressed to me related to the young and the elderly in particular, but we must also, of course, examine the position of the handicapped.

As to assessing the value of a road safety year, I cannot agree with the honourable lady that this necessarily means promoting specific programmes during one year and then forgetting about the whole thing afterwards. I think it is important to emphasize the value of a programme of this kind, but also the necessity for continuity in the precautions that have to be taken and the advances that have to be made.

Mr Cryer (S). — Mr Clinton Davis has my good wishes for an effective period of office.

I should like to ask him about freight transport. As he well appreciates road haulage vehicles are particularly intimidating to young people and the elderly. Freight vehicles are involved in a very high proportion of fatalities in both those categories. Could he say what has happened to the proposed directive for the increase of road vehicle weights from 38 to 40 tonnes? Wouldn't it be ironic if in Road Safety Year 1986 heavier road vehicles were introduced into the Community with only a temporary derogation for the United Kingdom? Wouldn't such a vehicle weight increase be a betrayal of the assurances which the Secretary of State for Transport gave to the House of Commons when the United Kingdom went up to 38 tonnes in 1983? I would be grateful for his comments and I hope that he will share my belief that we do not want any heavier vehicles on the roads. We

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actually want to shift some freight from the roads onto the railways.

Mr Clinton Davis. — Mr Cryer, who was an old parliamentary colleague and friend of mine in the days when we were both in another place, will realize, of course, the sensitivity of the issue that he has raised. It is a matter to which I must give close consideration. I think that it would be wrong of me to produce on the spur of the moment a definitive reply to the question that he has just raised. What I will undertake to do is to ensure that the matters to which he has alluded will receive my very close attention.

Mr Wijsenbeek (L). — Wishing the Commissioner well a little more from the centre than the gentleman at my right, I nevertheless would like to ask him if he does not think that all these questions and all his answers to them are a matter of, as the Germans say, *kurieren am Symptom*. Is it not rather a question of improving transport infrastructure in the Community, and especially the infrastructure and the appalling state of the small roads on which heavy lorries have to drive in the country where the Commissioner comes from?

Mr Clinton Davis. — The honourable gentleman is quite right. I am receiving, I am glad to say, support from a very wide geographical spectrum, which is nice. I do not know how long it will all last.

The point made by the honourable gentleman is, of course, one which impinges upon road safety. Everything we have heard today will fall within our consideration for this very important road safety year. The question of unsatisfactory infrastructure and the need to remedy it is not entirely within my hands or those of this Parliament, but obviously we have to concentrate on it.

Mrs Seibel-Emmerling (S). — (DE) Commissioner, 1985 is not only Road Safety Year, it is also European Youth Year. Does the Commissioner see any possibility of using the programmes which have been published for European Youth Year for road safety purposes, and can he envisage how the various programmes of the countries of the Community, which are being developed in European Youth Year, could be coordinated with this aim in mind, so that for example adequate emphasis is given to the speed limit, especially in built-up areas. I draw attention to the first part of the question, namely the special situation of young people, who form the major part of numbers of persons killed in road accidents.

Mr Clinton Davis. — I did try to say at the very outset of my remarks that, because the question concerns specifically young and elderly people, we propose to

give emphasis to those two areas, but, of course, we have to cover the whole spectrum of road safety.

As to the linkage between International Youth Year people and the Road Safety Year, that is a matter we will look at. I think we have to recognize that the two have their own separate emphases, though there may be connecting links. What I can say is that I am reliably informed — when the honourable lady speaks about the links between the two years — that in fact 1986 will follow 1985.

President. — As they deal with the same subject, the following questions will be taken together.

Question No 3 by Mr De Pasquale (H-560/84)¹ :

Subject: Misuse and diversion of EAGGF funds in Sicily by the Mafia

Recent investigations by the legal authorities in Sicily have disclosed that further very serious crimes have been committed in connection with the allocation of Community financial aid.

Offences have been committed not only by private individuals, but also by certain public authorities and agencies. These include:

- fraudulent practices by the ESA (Agricultural Development Agency) in connection with the granting of aid for durum wheat and olive oil;
- the payment of a distillation premium for wine adulterated in a distillery in Partinico;
- fraud and corruption by APAS (Association of Sicilian Citrus Fruit producers) in connection with the withdrawal of fruit and vegetables in Catania.

The current investigations are now making it quite apparent — and the facts are accordingly being brought to the notice of the general public — that there are very serious cases of collusion between the mafia, a number of local administrators, certain supervisory bodies and certain processing industries, whose purpose is the fraudulent diversion of Community contributions, to the detriment of Sicilian agricultural producers.

The Commission is therefore asked to answer the following questions:

1. To what extent has the Commission fulfilled the obligations placed upon it by Article 9(2) of Regulation (EEC) 729/70 and by subsequent Community legislation² in respect of contributions from the EAGGF Guarantee

¹ Former oral question with debate (0-79/84), converted into a question for Question Time.

² Regulations (EEC) 283/72 (OJ L 36 of 10. 2. 1972) and 1697/79 (Art. 9); Directive 77/435.

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Section and, in particular, in respect of the audits and documentary checks relating to those contributions?

2. Does the Commission still believe that it is enough for the Commission's staff to work closely with the Italian Government¹ for the purpose of detecting and suppressing fraud?
3. If such collaboration has taken place, can the Commission give a detailed report on the results obtained?
4. In view of the scale and the seriousness of the operations described, would the Commission not agree that it is high time that measures of an independent and a more general nature were adopted?
5. What kind of pressure does the Commission intend to bring to bear on the Council to induce it to strengthen its supervisory powers, the need for which has been strongly emphasized by the European Parliament²?

Question No 4 by Mr Molinari (H-561/84)³:

Subject: The use of EEC structural funds in Italy, especially in Sicily

Considering that in many cases money allocated to Italian companies or local authorities from structural funds have been used by criminal organizations and/or the Mafia for their own purposes, can the Commission say:

1. Whether it is in a position to monitor the use made of money handed out from the various structural funds under its control?
2. Whether it is in a position to supply details of
 - the amount allocated;
 - the amount paid out;
 - the amount left over, if any;
 - the use made of the money;
 in respect of every Sicilian company or local authority that has received aid over the last 10 years?
3. What procedure it usually follows in order to supervise the allocation of funds to companies and/or local authorities?
4. Whether it does not feel that it should let the Italian judiciary see any files it may require?
5. Whether it does not feel that it would be advisable to consult the Italian judiciary prior

to granting the funds currently being allocated?

Mr Clinton Davis, Member of the Commission. — The Commission entirely shares the concern expressed by honourable Members that Community funds be used for the purpose for which they were intended. To this end the Commission applies its controls in a number of ways. The local authorities have a key role in this procedure. On the agricultural issues raised by Mr De Pasquale, the primary responsibility for the control and checking of expenditure, financed by the agricultural fund, lies with the competent authorities of each Member State. However, the Commission itself checks the use of funds in three ways: through the clearance of accounts procedures, through the work of the fraud and irregularities service and through selected checks.

As regards the structural funds, the Commission and the Court of Auditors apply their own checks with the help of the local authorities. May I emphasize that the Commission is quite ready to make available to the Italian magistrates information for which it may be asked.

Mr President, a full reply to both questions would involve a great deal of detail, and I think that it would be best if Commissioner Andriessen were to write to Mr De Pasquale in reply to his detailed points. Further, the details requested by Mr Molinari will be included, I am advised, in the reply to Written Question No 1333/84, which was put by the honourable Member.

Mr De Pasquale (COM). — (*IT*) I want to ask the Commission the following: Knowing that in Sicily the Mafia has established a close financial and administrative network criminally exploiting the producers, why has the Commission never felt the need to prevent and combat the abuse of Community regulations which was tolerated, and often actively promoted by the governing bodies and parties, especially certain sections of the Christian Democrats? Why, despite our appeals, has the Commission always refused to investigate and curb, as was its duty, the scandalous frauds which were only finally brought to light through the tenacity and courage of some judges in the island?

I further want to ask the Commission why, at a time when there is a widespread popular reaction against the Mafia, it displays no awareness of the political gravity of its failure to act which, all other considerations apart, is seriously damaging both to the Community's finances and to the status of its instruments, such as the EAGGF, the Social Fund or the Regional Fund. I do not ask for written answers from the Commissioner but, pursuant to Rule 45, Mr President, I request on behalf of the Communist and Allies Group that a fuller debate be held soon after Question Time on this subject, the importance of which — and not only for Italy — must be obvious.

¹ Answer by Mr Dalsager to a written question by Mr De Pasquale (OJ C 189/10 — 14. 7. 83).

² COM(82) 138 final — EP resolution of 14. 10. 82 — OJ C 292 of 8. 11. 72.

³ Formerly an Oral Question with debate (0-31/84), now tabled as a question for Question Time.

Mr Clinton Davis. — The Commission, like this Parliament, must be deeply concerned about allegations of fraud which are of such momentous importance as those to which the honourable Member refers.

I think in speaking for my fellow Commissioner that I can assure this Parliament that there will be no question of neglecting any aspect of the investigation that needs to be undertaken. What I would say, however — and perhaps I speak here in a sense as a lawyer — is that it is wrong to jump to conclusions about those who are specifically responsible for criminality until investigations have been concluded and a trial has been undertaken. I think that that is a common rule throughout the Community and throughout any civilized legal apparatus. So, I would not wish to join him in condemning anybody specifically at this moment.

Mr Hughes (S). — The use of EEC structural funds is also a cause for concern in the UK. Is the Commissioner aware that the autumn Regional Fund allocation to the UK gave over 20 m to British Telecom on the eve of its privatization? Is he aware that in the job-starved northern region of England over 6 m of 9 m aid granted went to British Telecom, with the result that only 52 jobs were expected to be created? Finally, how does the Commissioner explain such a disproportionate grant to British Telecom at that particular time, and does he not feel that it leaves the EEC open to the charge that it was involved in lining the pockets of potential shareholders at the expense of urgently needed job creation?

Mr Clinton Davis. — I know that the honourable gentleman feels very strongly about the issue that he has raised, but with great respect it does not really arise out of the question which I have been asked, which deals with criminality. The question of political morality or probity and the manner in which a Member State used these funds is a totally different question, about which there is no doubt a considerable measure of controversy.

Mr Provan (ED). — First of all, can I congratulate Mr De Pasquale and his group on raising this issue in the House. It is a very important issue indeed, and I believe that not only are they facing up to it and acknowledging it, but they are emphasizing some of the practices that are taking place in their own country, which any decent member of the Community utterly abhors.

Can I address myself to the Commission? With the vast sums that are going to Italy currently — I am told that, for instance, 20% of the 1982 European budget went to Italy — can they really maintain their current position of allowing funds to flow there without monitoring properly how those funds are spent? Can they really maintain their position that they adopted in the 1985 budget of offering Italy 8 m ECU to monitor

Community expenditure when the Italian Government should be doing that itself? Would it not be far better, Commissioner, for you to put in your own staff to make sure that the funds are spent properly in Italy rather than add to the piles of money that are going to Italy presently?

President. — Before I call on the Commissioner to reply, Mr Pearce wants to raise a point of order, I believe.

Mr Pearce (ED). — Mr President, I was trying to raise a point of order following Mr Hughes's supplementary question.

I think, Mr President, it would have been better if you had advised Mr Hughes that his supplementary question was nothing to do with the question that was put and if you had instructed him to withdraw that question and if you had, in fact, asked the Commissioner not to deal with it. That I believe, Mr President, with respect, is how these matters should be conducted.

President. — I am grateful to you for your advice.

Mr Clinton Davis. — On the matter raised by Mr Provan, I would join with him in congratulating the Members from Italy who were responsible for raising this important question. I think that his criticisms of a particular Member State are not particularly well-advised, if I may say so with respect. Questions of this kind are subject to joint invigilation which will have to be stepped up in the light of what has been alleged but I will draw his concern to the attention of Commissioner Andriessen though I think that on reflection the honourable gentleman would not have wished to couch his remarks in quite the language he used.

Mr Wijzenbeek (L). — (EN) I think there is even more reason to wish the Commissioner well now that he has more or less promised to take on the Mafia. That could be dangerous.

(NL) I should like to put a supplementary question in connection with my written question on this subject. How is it possible that the Commission has undertaken to make an aerial survey of the olive groves in southern Italy when, for the first time in the history of meteorology, southern Italy has been covered with fog for months, thus preventing the aircraft from taking off, and secondly, how is it possible that the Commission has been taking this action for three years and the results of the aerial survey have still not been received?

Mr Clinton Davis. — Two points I would make. Lest it be misunderstood, Commissioner Andriessen is not absent because of his fears of threats from the Mafia

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and that is not why I am actually being exposed to answering these questions.

As far as aerial activities of any kind being delayed by fog are concerned, as the Commissioner responsible for transport, over the course of the last five weeks, I have made a particularly bad start by being delayed on every single flight that I have made. I am sorry about that. I will look into it.

Mr Gautier (S). — *(DE)* I should first like to support Mr De Pasquale's motion for a debate on this question.

Now for my question to the Commissioner. I am not sure whether he has yet had time to read the special report of the Court of Auditors in the Official Journal of 17 December 1984 — a month ago — on the imposition of directives on scrutiny of transactions forming part of the system of agricultural financing. There are in this report by the Court of Auditors many interesting things, which we in Parliament have been criticizing for the past three years. I should like to come back to Mr Provan's question in connection with olive oil, to so-called 'merry-go-round' operations, to which the Auditors' report refers specifically, i.e. transactions which exist only on paper. Parliament has known about them for three years, and we know about them from the official statistics of the Commission. Has the Commission taken any steps, as regards either the wording of the relevant Directives or surveillance, in order to put a stop to such operations?

The Council has before it a whole series of directives for direct monitoring by the Commission, including some connected with Mr Provan's remark that the Commission could find better ways of spending the money. How does the Commission evaluate the role of the present president of the Council, Mr Andreotti, in this connection? Should the Commission not have direct powers of control to enable it to carry out some on-the-spot checks?

The third question follows on from what Mr De Pasquale said: there are various reports that a whole series of Community payments did not go direct to the farmers concerned, but to the Mafia. Might not the question of whether the monies could be better applied if they were not forwarded to the Mafia, be a specific request for investigation, of which the Commission should take note?

Mr Clinton Davis. — It goes without saying that this Commission is anxious to avoid the wrongful manipulation of funds in the manner which has been alleged. Therefore, any additional comment that I may make about that aspect of the matter would be otiose because I have already dealt with that at some length. There are, of course, procedures for dealing with the question of the misappropriation of monies. There is

the clearance of accounts procedures, the fraud and irregularity service, etc. As to the question of parliamentary knowledge of these matters extending over a period of three years, I am, of course, not aware of these specifics — I have only just become, naturally enough, aware of the matter since I have answered this question on behalf of the Commission. I will draw to the attention of my colleague all the observations that have been made during the course of this period of questions. I am sure that in relation to the Italian presidency, these matters will be drawn to the attention of the President-in-Office of the Council; there will be discussions with him representing the anxiety which has been expressed, not simply, may I say, by Parliament but by the Commission itself. I hope that the honourable gentleman will accept that from me. I do not really think that I can usefully add anything to the other points which he raised because I have dealt with this matter extensively in the course of this Question Time.

Mrs Castellina (ARC). — *(IT)* I hope the Commissioner will forgive our insistence but we are, perhaps, rather more concerned over the Mafia's frauds than the Commission is. I appreciate your desire not to anticipate the findings of the courts, but if the Community is to recover the misappropriated monies, action must be taken quickly. Let me just remind you that only this morning there were arrested at Bagheria five persons who were active in five cooperatives to which belonged a certain member of the Greco Mafia 'family' of Ciaculli. The arrests were made in connection with the embezzlement of three billion lire from the EEC which was discovered by the Financial Police. And last year, on 23 March 1984, proceedings were brought against a large group of persons accused of criminal association and criminal fraud against the EEC.

President. — *(FR)* May we have a question, please! No speeches!

Mrs Castellina (ARC). — *(IT)* The question is this: Do you not think that, in view of these facts, you should act quickly? If you delay you will not get back the money.

Mr Clinton Davis. — I hope I have not conveyed a sense of complacency about that. If so, I do apologize, because that certainly was not my intention.

The Commission is as anxious as the honourable lady about this matter. We are concerned to expose malpractice and criminality, and we shall use our best endeavours to bring those who are culpable of criminality to book. The question of how they are dealt with must, of course, be a matter for the courts. It must be good news, however, and I am delighted to learn the information from the honourable lady, that investiga-

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tions have led only this morning to the apprehension of five people who are accused of crime, and we shall wait with interest to see what unfolds before the courts of law.

Mr Dalsass (PPE). — *(DE)* I fully agree that we should get to the bottom of this matter — whether in Sicily or anywhere else. Every instance of fraud should be brought to book, precisely investigated and those involved punished. I should now like to put a question to the Commission. Mr De Pasquale did say that in his speech, but he also added that the Democrazia Cristiana was also guilty. I am not a member of that party, but I should like to ask the Commission, whether guilt really attaches to one political party. I think the Commission should investigate the matter, not just as regards the Democrazia Cristiana, but also other parties, because there are deceivers everywhere, who are members of one party or another. But one cannot make a blanket statement and make one party responsible for this affair.

Mr Clinton Davis. — There is, of course, a very real danger — and that is why I alluded to it earlier — of suggesting that particular individuals are guilty of crime before the investigations have been concluded — and most particularly before court proceedings have been concluded. I do not think that it would be profitable therefore to enter into speculation as to which individuals, as to whether in fact any political groups or groupings are concerned with this criminality. This is a matter for the investigation, which must take its proper and, I hope, expeditious course.

President. — Ladies and gentlemen, there are still eight Members of the Italian Communist Group on my list of speakers. Under our Rules I may call only one of the eight. The first to give her name was Mrs Cinciari Rodano, whom I shall therefore call unless she herself makes way for one of her colleagues. I shall therefore go ahead and call Mrs Cinciari Rodano.

Mr De Pasquale (COM). — *(IT)* Mr President, where does it say in the Rules of Procedure that a Member may not put a question? There is no such rule: all the Members can ask questions!

President. — Mr De Pasquale, I would remind you that for some years now in this Parliament, although it is not laid down in the Rules, it has been the invariable practice that in the case of supplementary questions not more than one Member per group of the same nationality may put a supplementary question. It is a practice which this Parliament has developed to ensure that we get further than just Question 3. It is on the basis of this practice that I invite you, as I did a short time ago when various Members of the British Conservative Group asked to speak and as has always been

the case in Question Time, to decide which of you eight shall speak.

As far as I am concerned, that person is Mrs Cinciari Rodano because she was first with her request. I think it would be very unwise at this moment to change our rules. It would mean the end of the orderly conduct of Question Time in the future since if this rule is broken just once, it will of course no longer exist. I call again therefore Mrs Cinciari Rodano.

Mr De Pasquale (COM). — *(IT)* I beg your pardon, Mr President. There are just two possibilities: either, in accordance with the Rules, you allow questions on a matter of such grave importance, or, in view of its importance, you grant pursuant to Rule 45 a debate after Question Time.

I don't think you can throttle the debate, especially on a subject like this, which is a very sensitive matter for the present Presidency. According to the Rules of Procedure it rests with you, and you only, whether to grant such a debate pursuant to Rule 45. We have asked for it, but if you refuse, then please at least allow, in accordance with the Rules, all the Members who want to put a question to the Commission on this important subject to do so.

President. — If you will just listen to me, Mr De Pasquale, I have endeavoured in dealing with this point, which I know is an important point that interests many Members, to be as liberal as the Rules permit and in no way to prevent Members from putting supplementary questions. The Commissioner has thus consistently answered all the questions, even where some questions were practically identical, he very patiently varied his answers. What I will not do is break well-established rules which this Parliament has adopted to ensure that Question Time is conducted in an orderly manner and that it is not only the questions at the top of the list that are answered but that other Members should also get their chance. No one can say that there has not been ample opportunity for the Members of this House to put their questions and therefore for the third and last time I ask Mrs Cinciari Rodano to put her question.

Mrs Cinciari Rodano (COM). — *(IT)* Mr President, before putting my question — and I shall have to ask more than one, because these are very grave issues and they have so far received no answer — I want to say that I do not understand why you wish to prevent this House from hearing the Commissioner's answers on questions of very great importance. According to paragraph 4 of Annex II each Member may put a supplementary question to each question at Question Time: *each* Member, irrespective of the group to which he belongs. Where is it written that he may not? Not in the Rules of Procedure!

Cinciari Rodano*(Protests from the right)*

President. — Madam, if you consult Annex II of the Rules, where the conduct of Question Time is set out, you will see that 'the President shall rule on the admissibility of supplementary questions and shall limit their number so that each Member . . .'. It was on the basis of that rule that this practice has become established in this Assembly,

(Applause from the centre and right)

a practice intended to ensure the freedom of all. One must not complain if, just occasionally, this rule works against you. This rule is meant to protect you all and to give everyone a chance to speak. On any given question different political groups or nationalities have a particular interest. If we accept that, each time, a particular question should be monopolized by a particular group or nationality or by a combination of a group and a nationality, that is the end of Question Time.

It is not my duty to destroy Question Time but, on the contrary, to ensure its proper conduct. For the fourth and last time I ask you to put your question to the Commission.

Mrs Cinciari Rodano (COM). — *(IT)* Mr President, I shall put my question, but allow me first to point out that in Annex II to the Rules of Procedure it is stated . . .

(Protests from the centre and right)

. . . that the President shall rule on the admissibility of supplementary questions, i.e. that he shall decide whether a question is relevant. Well now, you have already admitted some questions whose bearing on the main subject was not absolute, but to give a ruling you should at least first find out what is the question that our colleague wants to put. It is not written anywhere that a Member attached to a particular group has fewer rights than a Member belonging to another group. Please believe me, Mr President, this is a most sensitive subject. I don't want to say anything offensive, but in my country a very serious view would be taken of your attitude — precisely because of the subject we are discussing. Please don't make me say more.

I come to my question: The Commissioner has stated that the Commission is prepared to cooperate with the magistrates; replying to a question from Mr De Pasquale on 28 April last, the Commission stated that it did not know the amount of EAGG-Guarantee Section expenditure in Sicily. I am now asking: if the Commission does not even know how much is being spent, then first, how does it manage to control and check it and, secondly, how does it propose to cooperate with the magistrature?

My second question is this. The Public Prosecutor in Palermo has brought charges against certain persons

concerning 974 000 hectolitres of adulterated wine which was sent for distillation to a distillery in Partinico and represents a total value of 29 000 million lire. What does the Commission intend to do to prevent adulterated wine being sent for distillation and to ensure that the intent of Community regulations is observed?

Given that an investigation is now being conducted in Catania by an examining magistrate who has already subpoenaed 44 officials . . .

(Protests from the right)

Why, are you on the side of the Mafia, then?

. . . of the APAS citrus producers' cooperative, that some officials have been arrested and that charges have been brought against the Christian Democratic M.P., Salvatore Urso, we should like to know what the Commission proposes to do in this case to safeguard the Community's money.

Mr Clinton Davis. — I think that the honourable lady has made the point that she wants to make. May I simply say this: that my colleague Mr Andriessen will, I know, listen to all relevant representations about this very important matter.

(Interruption by Mr De Pasquale: 'When and where?')

What I do not think would be particularly helpful is to make allegations against individuals until those individuals have actually been charged and convicted. It is quite wrong in any civilized legal procedure to make charges against individuals unless and until they can be substantiated. Otherwise we shall get into all sorts of difficulties.

Mrs Squarcialupi (COM). — *(IT)* Mr President, I wish to refer to the Rules of Procedure, more specifically to paragraph 4 of Annex II. I should like to ask whether you want this Assembly to abandon its power of control and debate, leaving discussion of this question to the Press alone. The newspapers of your countries, honourable Members, are full of news about the Mafia. Why should we renounce a political debate? We are not afraid.

I should also like to ask, Mr President, whether you realize that speaking of the Mafia for some of us means putting our life in danger. If we do speak, therefore, it is not for our pleasure, much less for the purpose of disrupting the Assembly's proceedings, but because we want a political debate on this topic and because we want to know what is happening to the money of our and, with respect, also your constituents.

Mr President, I should like your answers. It should not be too difficult for the President of the Assembly, I think.

President. — Madam, I shall answer your point of order. If I have applied the Rules of Procedure and the customs that have been established on the basis of these Rules, it is with a view to protecting this Assembly and its Members and in order to do my duty. It is not possible for Question Time to be used for any other purpose than to pose questions and receive answers. It was for this reason that the Rules established Question Time, and you cannot criticize the Chair for conforming exactly to the Rule's requirements. On the contrary, you might reproach me with having been a little lax in accepting questions which were more like speeches. I did so because I know that feelings run high; I also know, as you have just pointed out, that there are serious risks for those who raise this kind of question and that is why I have been more flexible than the Rules permit.

I am absolutely against Question Time being turned into anything else. I think that all Members, Madam, must recognize that all the various strands of opinion represented here have had their say, that the Commissioner has given answers. After all this, I have the very distinct impression that this will not be the last time this subject is raised here.

(Applause from the right)

Question No 5 by Mrs Lemass (H-297/84):

Subject: The elderly and the EEC's budget

During a recent debate in the European Parliament on the Commission's activities in relation to elderly people, the Commissioner for Employment and Social Affairs stated that he was willing to intensify efforts in favour of the quality of life for older people.

Will the Commission now state why in the Commission's draft budget for 1985 he sought no increase on the level of aid for the elderly compared with 1984?

Mr Sutherland, Member of the Commission. — I would like to commence by stressing the honour that it is for me to address this Parliament for the first time and also to thank Mrs Lemass for raising an issue which is of considerable importance.

I should preface my reply by saying that my distinguished predecessor actually made no commitment to increase in the draft budget for 1985 the level of aid for the elderly. For the sake of clarity I would wish to point that out at the outset, because on one interpretation of the question it could be suggested that that implication is to be seen from it.

That being said, I agree with the honourable Member that it would be desirable to intensify the efforts being made at Community level to improve conditions for the elderly. As with so many other problems, the problem is one of resources. Because of the general budgetary situation, which everybody understands, it was

simply not possible for the Commission to propose an increase in the level of aid for the elderly compared with 1984. The figure proposed for this year remains therefore at the modest level of 60 000 ECU, a figure which should, however, be judged in relation to the fact that five years ago there was no financial provision at all.

Obviously, it will be difficult to manage a policy for the elderly in these conditions. The Commission nevertheless remains willing to reinforce its commitment and its efforts in this field. For the moment we need to look at non-financial options such as the promotion of research which could lead to an improvement in the living conditions of the elderly. A first step in this direction has, I think, already been taken. The next four-year programme of the European Foundation for the Improvement of Living and Working Conditions includes a number of items related to the living conditions of the elderly, and I believe that this programme will be adopted towards the end of this month. It is to be hoped that the research can contribute to the welfare of the elderly, which is the issue raised by the honourable Member.

Mrs Lemass (RDE). — I welcome this opportunity to extend to the new Commissioner, Mr Sutherland, every good wish in his new position, as he is from my own country, Ireland. I am very glad to see him in the position and wish him very well indeed.

I would also like to thank you, Mr Commissioner, for your answer and the information that you have given me. You have talked about living conditions. I would like to expand that a little bit if I may. Would the Commission agree that the problems of Europe's elderly population have considerable implications for all the Member States, in view of the fact that in the last two decades there has been a dramatic increase in the number of old people living alone in city centres and isolated rural areas and that they have become extremely vulnerable to brutal and savage attacks, some of which have actually claimed lives? I am particularly concerned about the situation in my own country, Ireland, of which the Commissioner will be very well aware. Would you consider, Mr Commissioner, the setting up of a Community action programme to bring about an improvement in the quality of life for elderly people, to try to find ways and means of reducing the level of violence to which old people are now being subjected, to try to improve their housing conditions and to find ways and means of combating the awful loneliness that many suffer? Would you also consider funding organizations that help the elderly?

Mr Sutherland. — Having regard to the financial constraints to which I referred earlier, obviously there is a considerable inhibition placed on the Commission in the area so properly remarked upon by the honourable Member. Notwithstanding the lack of financial and staff resources, the commitment to further investiga-

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tion and research into the area of the elderly in general and their living conditions in particular is proceeding. It is therefore envisaged by the Commission that it will be possible to reinforce the research which has already taken place by additional research which may lead to positive proposals being put forward at a future date.

The first step to which I have referred, the involvement of the European Foundation for Living and Working Conditions through its research programme and an analysis of this particular area, could prove to be beneficial in putting forward proposals which will be of positive benefit to the elderly persons to whom the honourable Member referred. It is premature at this stage to identify the precise areas of research which will be undertaken by the European Foundation, but we are satisfied that the research will be worthwhile and will be beneficial in the context, in particular, of dealing with the problem of the self-reliance of old people living on their own who are in one way or another vulnerable, as has been remarked upon by the honourable Member.

Mr Patterson (ED). — As I have the floor, I join Mrs Lemass in welcoming the Commissioner to this important portfolio. I do appreciate that the problem is one of resources, but could I put the following point to him?

We spend a lot of time in this Parliament talking about youth unemployment, and perhaps we don't pay enough attention to the problem of unemployment among the elderly, people who find themselves unemployed at the end of their careers and know that they are never going to be able to work again in normal circumstances. It would be possible to provide retraining for elderly people to have a form of employment, part-time or sheltered. Yet our Social Fund regulations, both the regulation and the guidelines, preclude grants being made for anything but employment on the open labour market. This is not a matter of resources, this is a matter of the regulation. Would the Commissioner look very carefully into the possibility of providing Social Fund money for retraining elderly people for employment or even for retirement outside the open labour market?

Mr Sutherland. — The honourable Member is, of course, correct in saying that there is still a kind of obligation, or a tradition at least, to justify new areas of social policy as being related to the labour market. It is also the case that notwithstanding the fact that, as has been remarked upon, the budget is an extremely small one, seminars and research have been conducted into the problems of retirement and generally the difficulties of adjustment that elderly people have to accept when coming close to the end of their ordinary working lives. It may well be that further studies on self-reliance to which I referred may encompass within the ambit of their responsibility the issue of the possibility

of taking up other employment. I will certainly bear in mind the points that have been raised and consider the implications of them in regard to future research.

Mr Lomas (S). — I offer my best wishes to Mr Sutherland on assuming his very important job as Commissioner for Social Affairs.

I appreciate what he said about research projects but what the old people in Europe need are benefits in cash or kind. The problem is that there are large discrepancies in Europe and I wonder whether the Commissioner could look at these and perhaps sympathetically recognize that, for instance, the pension level in the United Kingdom and some other countries too is barely half of the best in Europe. There should be encouragement given to governments like those to bring the pension level up to the best in the European countries. That is one question. Would he encourage governments to do that?

The second question is on fringe benefits. Why cannot, for instance, pensioners have free travel throughout Europe? It is very patchy — in some areas they have it and in others they do not. Even within the UK, some areas do not have it while others like my own in Greater London do, because, luckily, there we have a Greater London Council which is progressive and compassionate and caring. Maybe that is why the Conservatives want to abolish it! Would the Commission examine these possibilities to give tangible benefits to the elderly in Europe?

Mr Sutherland. — I shall deal with the latter point first. The research to which I referred specifically includes the issue of benefits and the availability of benefits to old age residents in an individual Member State and their availability for members of other States travelling within the area in question. The research is not limited to this purpose but it is being pursued and certainly I hope that it will have some benefit. The question has been raised from time to time in this House as to whether it would be possible to allow benefits to be taken by non-residents in particular Member States when travelling to them and that is one matter that is being considered. With regard to the question of the harmonization of pensions and other benefits, that seems to be outside the competence of the Commission at this stage. I do not say that it is a matter which should not be investigated and considered. Certainly I will bear in mind the point that was raised and consider it at a later time. It seems to me that the harmonization of pensions and other benefits is something which could not be immediately undertaken.

Mrs Squarcialupi (COM). — (*IT*) Would the Commission agree that in view of the ageing of Europe's population, which is likely to be an irreversible phenomenon, and in the light of the European Parliament's

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resolution on the status of the elderly, the time has come to regulate the financing of social security systems, especially as regards the financing of pensions? In other words, given that the numbers of pensioners will continue to rise, and those of workers to fall — not least because of the shrinking of the labour market — I ask whether and when the Commission intends to adopt measures on the financing of social security services.

Mr Sutherland. — The particular issues raised by the honourable Member are not matters which are being specifically addressed at this time by the Commission. Plainly any analysis of the increasing problems of the elderly in our society will necessitate at least an analysis of all of the problems which face elderly members of the Community in the various Member States. That, to an extent, will have to take into account differing levels of benefit and different social security systems. I cannot, however, say as I have already indicated in an earlier reply that there is a specific policy at this stage nor indeed a competence in regard to the harmonization of social benefits in that area.

Mr Wolff (L). — (*FR*) I too should like to offer the Commissioner my best wishes as he takes up his new responsibilities. After everything I have just heard I would also add that I wish him the rudest of health in his attempts to meet all the demands made of him.

I would just like to say that I personally do not think that the problem of the aged is simply a question of money. I believe they feel the need to make good use of their time and that one possibility here would be to do what some countries have done and draw up a voluntary service list, so that these people could be called on to give their services and thus have more part in the life of the community. My question is as follows: do you plan to draw up a kind of inventory of resources in the various countries, which might form the basis of a possible Community-wide programme?

Mr Sutherland. — What I can say more specifically about the research programme to which I have already referred is that the four-year programme of the European Foundation will take into account the living conditions of the elderly and, in particular, the actions on a voluntary or a semivoluntary basis that may be undertaken to help the elderly to remain in their own social environment and to help families who take care of elderly parents. Urban environment and the housing of the elderly, in particular, will be addressed.

The problem of isolation of the elderly will be a specific topic for consideration by the Foundation in its research. Contemporaneously on the existing budget, there are on-going studies and surveys addressed to the same problem. What the consequences of these will be and what proposals may emanate from them, I cannot comment upon at this stage. But I can assure

the honourable Member of my genuine concern and interest in the issue which has been raised and I will express that concern, I hope, more tangibly in the light of the reports and research which I receive.

Mr Andrews (RDE). — First of all I would like to congratulate Mr Sutherland on his new appointment, wish him well and assure him of all my support.

In view of the cold spell and the number of deaths due to the cold among the elderly throughout Europe at the present time, has the Commission taken action to alleviate the hardship caused to old people by any means, more particularly by addressing themselves to the various governments who are inclined to cut off electricity at this time of year and cut off heating to the elderly. We find quite frequently that old people, to keep themselves warm, get up early in the morning, take the bus into town and go through the shopping centres. Has the Commissioner any intention of taking action to alleviate the position of the old throughout Europe in the present cold spell?

Mr Sutherland. — I thank Mr Andrews for his generous welcome.

In regard to his question, I can say that the elderly being one of the priority issues for action research projects in the second poverty programme adopted by the Council on 13 December 1984, one is hopeful that there will be some positive developments in providing assistance to the elderly. With regard to his specific inquiries relative to action being taken in regard to communications with Member States, I am unaware of immediate communications, but I will certainly look into the matter and see what can be done.

Mr Wijsenbeek (L). — (*NL*) I should like to ask the Commissioner this: a few months ago I proposed that a passport for the elderly should be introduced throughout the Community. The last Commission said that it would look into this matter very carefully. Although this proposal would not cost any money, all the Commissioner can talk about is his budget. This is a proposal that can be implemented without any difficulty, and yet the Commission hesitates. When does it intend to do something?

Mr Sutherland. — I am afraid that the answer I will give the honourable Member will be no more satisfactory than the last answer he received, because I think on that occasion he was informed that that particular issue was being investigated by the Commission. That investigation, I regret to say, is still continuing. As soon as there is an answer to it, I hope to be able to inform him of it.

President. — Question No 6 by Mr Le Chevallier (H-554/84)¹:

¹ Former oral question with debate (0-31/84), converted into a question for Question Time.

President

Subject: Study of immigration in Europe

Will the Commission:

- (a) inform the European Parliament of the number, countries of origin, legal and social position of men and women, whether employed or not, from third countries currently residing in the Community;
- (b) study the effects on national and social budgets and the employment market of the presence of this immigrant population in the Community;
- (c) present the European Parliament with an assessment of the problem?

Mr Sutherland, Member of the Commission. — The Commission cannot give all of the statistical information about persons of third-country origin in the form sought by the honourable Member. The Statistical Office of the European Communities has established tables on the number of persons of foreign nationality and of employees of foreign nationality living in Community countries in recent years. I should say that the manner in which the question has been formulated suggests that the questioner is relating the issues which he raises to the question of origin rather than nationality and, of course, the Community is concerned with citizenship and nationality.

The tables I have referred to are compiled on the basis of available national sources. They will be circulated by the end of this month after the verification currently being undertaken by the statistical services of the Member States. Full information on the legal and social situation of migrants is, however, not available, despite the Commission's continuing advocacy of a European approach. These matters are still largely determined through bilateral agreements between individual Member States and third countries.

With regard to the second part of the question raised, the honourable Member has asked for a study of the consequences for national and social budgets of the presence of this migrant population on the labour market. Here I cannot give him any satisfaction. It is doubtful whether a Community-wide study would add to the knowledge assembled by the national studies already in existence. There is also, I should say, a fundamental objection to assessing these costs in isolation from an assessment of the contribution migrants have made and are making to the economies of Member States through their labour, their savings and their tax payments. Any calculation of costs and benefits must also take account of the costs of alternatives to accepting the continuing presence of migrants, including the cost of aid to the economies of third countries disrupted by the return of their migrants. Nor could the Community ignore the ensuing dangers to international relationships which are of interest and importance to the Community. The Commission would not, therefore, propose to undertake the type of study that

the migrants' presence on the labour market, the Commission has already agreed on a study on the effects the migrants have on job opportunities for Community nationals.

In response to the final part of the question raised, asking that a statement be made on the problem to the European Parliament, I may say that the Commission will be presenting a report on the situation to Parliament. May I remind the questioner that following the Parliament's resolution on the problems of migrants, the Commission has already undertaken to review its policy. This review is now in progress, the review is almost complete, and will be shortly communicated to the Council.

Mr Le Chevallier (DR). — (FR) I am glad to hear that we shall be getting recent statistics shortly, since the old ones go back to 1976 and indicate that there are nearly 14 million migrants in the Community, 75% of them from third countries.

I should like to make a second point as regards choice of words. In France we say that 'words are the guardians of thought'. I think it is a phrase which could be taken up in other languages. The term 'migrants' has two different meanings. There are population movements between the countries of the Community . . .

President. — Will you put your question please, Mr Chevallier?

Mr Le Chevallier (DR). — (FR) My question? Would the Commission please use its imagination and distinguish between migrants from other Community countries and migrants from third countries. The two concepts are quite different, if one considers the implications. Twelve million people from third countries entering the Community are not just a migratory movement. They represent quite simply an enlargement of the Community population to include, mainly, the countries of the Third World, at a time when we are already having trouble enlarging the Community to take in two countries of the Iberian peninsula.

Consequently there is a kind of bending of the law . . .

President. — You cannot make a speech, Mr Le Chevallier. Put your question and the Commissioner will answer.

Mr Le Chevallier (DR). — (FR) My question is a request that the Commission should find two different words to distinguish between Community populations which change country in order to work in another country and populations entering the Community from third countries. They are two quite different categories.

Mr Sutherland. — I am not quite sure what the question addressed to me actually is. What I can say is that the Commission is quite aware of its Treaty obligations. In particular, it is aware of its obligations in regard to free movement of workers who are citizens of a Member State and who move to jobs within the Community. The Commission continues therefore to work for the removal of barriers to free movement and for an effective system of job information to facilitate the practical operation of Community preference.

With regard to migrants from third countries, let me say this. We should, I think, remind ourselves of how the migrants came to be amongst us. We did not take them in because of any motive other than initially the labour that they were providing our countries with. We took them in ten, twenty or even thirty years ago because we needed them. We needed them in order to be able to exploit fully the enormous economic opportunities which opened up to us in the 1960s. We needed them to do hundreds of thousands of jobs which others would not do. The large-scale migrations of that period were thus a matter of mutual advantage and not single advantage for one side. Now, on the other hand, we face problems of unemployment which were unimaginable a generation ago. Times are hard for everyone and, may I say, especially for the migrants. This is certainly not the moment, and I hope the moment will never come, when we should think of repudiating or dismantling our obligations to individuals in our society, be they from third countries or Community countries.

(Applause)

Mr Ulburghs (L). — *(NL)* Can the Commission also have a study carried out into the cultural, demographic, social and economically important role played by immigrants in the development of Europe? Also, what economic and cultural factors lead to racial discrimination, particularly at this time of crisis?

Mr Sutherland. — The study which has been undertaken and to which I adverted earlier is one which looks at and analyses the difficulties faced by the migrant community in Europe, difficulties which are not to be understated. Nor are they to be taken advantage of in the context of the high rate of unemployment which has been referred to. Of course there are cultural difficulties which continue perhaps generation after generation. One of the major focuses of attention in the report to which I have adverted is the necessity to assimilate the migrant communities who have put down roots in Europe within the communities in which they now live. The Commission is therefore convinced of the importance of dealing with this matter fairly and reasonably, taking into account the legi-

mate aims of both the Community and the citizens of the Member States and those who have now come to reside in and be part of the countries of the Community.

Mr Marshall (ED). — On a point of order, Mr President, the House began this session of Question Time with 21 questions carried over from last month. Six have been answered today, and at the present rate of progress, some will be answered in February, some in March and hopefully one or two in April. Can I give you our support for anything you do to switch people's microphones off when they make speeches and perhaps to restrict the number of questions asked from any single group so that we can get through more than six questions next month.

(Applause)

President. — Mr Marshall, I, or whoever is in the Chair at those critical moments, will be grateful for that support and even more grateful if all Members would really put short questions and all Commissioners would give short answers. That is really what Question Time is all about.

The first part of Question Time is closed.¹

I must now respond to the request from Mr De Pasquale to allow an extra hour . . .

(Interruption by Mr Le Pen)

pursuant to Rule 45 of the Rules of Procedure.

Having discussed the matter with the President of Parliament, I can now inform you what my decision in the matter is.

Having listened to the discussion, to the great number of questions that have been raised, and to the answers, I have come to the conclusion that from practically all sides of this Parliament questions have been put which have all been answered by the Commissioner. I do not have the impression, therefore, that if we go on with this for another hour, there will be questions, statements or answers that were not already on the agenda during Question Time itself. And that is why my decision on this extra hour is negative.

I would also add that in his reply the Commissioner gave an undertaking that further information on this matter would be provided to Parliament and this was a factor in my decision since I am convinced that such further information will give rise to further discussion of this matter so that there is no question in the future of our not being able to return to it.

(The sitting was closed at 7.15 p.m.)²

¹ See Annex of 16. 1. 85.

² *Agenda for next sitting:* see Minutes.

ANNEX

Commission action on European Parliament Opinions on Commission proposals delivered at the November and December 1984 part-sessions

This is an account, as arranged with the Bureau of Parliament, of the action taken by the Commission in respect of amendments proposed at the November and December 1984 part-sessions in the framework of parliamentary consultation, and of disaster aid granted.

A. I. Commission proposals to which Parliament proposed amendments that have been accepted by the Commission in full

1. Report by Mrs Van Rooy on the proposal (COM(84) 412 final) for a 17th directive on the harmonization of the laws of the Member States relating to turnover taxes — exemption from value added tax on the temporary importation of goods other than means of transport

An amended proposal is being prepared. The European Parliament will be informed in due course.

Commission's position at debate: Verbatim report of proceedings, 13 December 1984, pp. 283-288

Text of proposal adopted by EP: Minutes of 13 December 1984, p. 65

2. Report by Mrs Viehoff on the proposal (COM(84) 230 final) for a decision establishing a multiannual research programme for the EEC on biotechnology (1985-89)

In line with the undertaking it gave at the time of the vote on Mrs Viehoff's report, the Commission has adopted (19 December 1984) an amended version of its original proposal for a Council decision. This incorporates all the amendments proposed by the Committee on Energy, Research and Technology which Parliament adopted on 14 October 1984.

On 19 December the Council session on Research came to a general agreement on the various research programmes proposed by the Commission, though it did not adopt any formal decision or go further into the actual decisions proposed.

Acting on the guidelines proposed at that session, the Council bodies have now to prepare formal decisions. The amendments proposed will be considered in detail in connection with this.

Commission's position at debate: Verbatim report of proceedings, 14 December 1984, pp. 328-329

Text of proposal adopted by EP: Minutes of 14 December 1984, p. 39-43

II. Commission proposals to which Parliament proposed amendments that have been accepted by the Commission in part

1. Report by Mrs Van Hemeldonck on the proposal (COM(83) 498 final) for a directive on air quality standards for nitrogen dioxide

A proposal amended under the second paragraph of Article 149 of the Treaty was sent to the Council on 4 December and to Parliament on 14 December 1984.

Commission's position at debate: Verbatim report of proceedings, 15 November 1984, pp. 226-229

Text of proposal adopted by EP: Minutes of 16 November 1984, pp. 25-35

2. Report by Mrs Schleicher on the proposal (COM(83) 704 final) for a directive on the limitation of emissions of pollutants into the air from large combustion plants

A proposal amended under the second paragraph of Article 149 of the Treaty will be sent to the Council and the European Parliament early in February.

Commission's position at debate: Verbatim report of proceedings, 15 November 1984, pp. 226-229

Text of proposal adopted by EP: Minutes of 16 November 1984, pp. 43-53

3. Report by Mr Parodi on the proposal (COM(83) 750 final) for a draft recommendation concerning the adoption of a European emergency health card

'Having regard to the nature of the amendments relating to examples given in the proposal by way of illustration, the Commission will consider whether it would be desirable to present an amended proposal.'

Concerning the addition of a special provision relating to the donation of organs, however, the Commission reaffirms that this amendment (No 3) goes beyond what is aimed at with the health card and that it feels unable, therefore, to find a place for it here.

Commission's position at debate: Verbatim report of proceedings, 16 November 1984, pp. 267-268

Text of proposal adopted by EP: Minutes of 16 November 1984, p. 62

4. Report by Mr Dalsass on the proposals (COM(84) 283 final) for:

- (i) a regulation amending Regulation (EEC) No 358/79 on sparkling wines produced in the Community and defined in Annex II to Regulation (EEC) No 337/79,
- (ii) a regulation amending Regulation (EEC) No 338/79 laying down special provisions relating to quality wines produced in specified regions,
- (iii) an amendment to the proposal for a regulation laying down general rules for the description and presentation of sparkling wines and aerated sparkling wines

On 19 December 1984 the Council took decisions on the parts that coordinate the two regulations so that, between the two, all the rules for the preparation of sparkling wines should be set out. However, it preferred not to take decisions on the rules on preparation which are directly linked to those for the preparation of still wines.

Some of the amendments Parliament wanted to see included have been accepted by the Council. On the others the Commission is maintaining its position.

Commission's position at debate: Verbatim report of proceedings, 13 December 1984, pp. 305-306

Text of proposal adopted by EP: Minutes of 14 December 1984, pp. 25-34

5. Report by Mrs Squarcialupi on the proposal (COM(83) 626 final) for a directive on the approximation of the laws of the Member States concerning extraction solvents used in the manufacture of foodstuffs and ingredients thereof

The Commission is preparing an amended version of the above proposal in response to Parliament's resolution. This will incorporate amendments 1, 2, 3, 4, 6, 8 and 11 adopted by Parliament.

As was explained at the December part-session, the Commission cannot, more for technical than policy reasons, accept amendments 5 and 9.

With regard to amendment 7, the Commission considers that the effect of Parliament's suggestions would be to deprive the Commission of its right of initiative. The proposed amendment is unacceptable and will therefore not be included.

However the Commission has already stated that it was prepared to forego this procedure of adjustment to technical progress whenever an amendment had major policy implications.

Commission's position at debate: Verbatim report of proceedings, 14 December 1984, pp. 336-337

Text of proposal adopted by EP: Minutes of 14 December 1984, pp. 53-60

6. Second report by Mr Sherlock on the proposals (COM(84) 226 final, supplemented by COM(84) 532 final and COM(84) 564 final) for:

- (i) a directive on the approximation of the laws of the Member States relating to the lead and benzene content of petrol,
- (ii) a directive amending Directive 70/220/EEC on the approximation of the laws of the Member States relating to measures to be taken against air pollution by gases from motor vehicle engines

The Commission will be stating shortly what action it intends to take further to that announced at the December 1984 part-session.

Commission's position at debate: Verbatim report of proceedings, 12 December 1984, pp. 195-6 and 198

Text of proposal adopted by EP: Minutes of 12 December 1984, pp. 58-61

7. Report by Mrs Seibel-Emmerling on the proposal (COM(84) 265 final) for a decision establishing a third joint programme to encourage exchanges of young workers within the Community

In response to the various recommendations in the European Parliament's resolution, the Commission proposed to the Council a series of amendments to its proposal.

When on 13 December 1984 the Council adopted the decision it agreed to:

- (a) accept changes in the text making management of the programme more flexible and efficient,
- (b) include young people out of work within the scope of the programme,
- (c) exclude students attending establishments of higher education (§ 10),
- (d) ensure for the programme the participation and consultation of youth organizations, particularly the Youth Forum,
- (e) apply the criteria proposed by the European Parliament in respect of short and longer training periods.

In a statement included in the minutes the Member States said they were willing to consider the possibility of bearing part of the cost of the exchanges (§ 5) and to consider any proposals the Commission made to improve welfare coverage for young trainees.

In implementing this third programme the Commission will be particularly mindful of the European Parliament's recommendations to:

- (a) ensure balanced participation of young men and women in the programme,
- (b) include new branches of activity, particularly ones geared to the future,
- (c) give preferential treatment to young people in small and medium-sized undertakings or from peripheral or backward regions.

As soon as sufficient information is to hand the Commission will report to the European Parliament on implementation of the third programme.

Commission's position at debate: Verbatim report of proceedings, 16 November 1984, pp. 292-293

Text of proposal adopted by EP: Minutes of 16 November 1984, pp. 76-84

B. Commission proposals to which Parliament proposed amendments that the Commission has not felt able to accept

None

C. Commission proposals in respect of which Parliament delivered favourable opinions or did not request formal amendment

1. Report by Mr Tolman on the proposal (COM(84) 565 final) for a regulation amending Regulation (EEC) No 652/79 on the impact of the European monetary system on the common agricultural policy

On 19 December 1984 the Council adopted a regulation which does not correspond to the parliamentary opinion. At present the ECU is applicable for a year, renewable. The Commission had proposed that its use be established definitively. The Council decided that it should be used until 31 March 1987 (Regulation (EEC) No 3657/84 of 19 December 1984, OJ No L 340/9, 28 December 1984).

Commission's position at debate: no debate

Text of proposal adopted by EP: Minutes of 14 December 1984, p. 16

2. Report by Mr Tolman on the proposals (COM(84) 500 final) for:
- (i) a directive amending Directive 64/432/EEC in respect of certain provisions relating to classical swine fever and African swine fever,
 - (ii) a directive amending Directive 72/461/EEC in respect of certain provisions relating to classical swine fever and African swine fever,
 - (iii) a directive amending Directive 80/215/EEC in respect of certain provisions relating to African swine fever

In its resolution Parliament had asked the Commission to present proposals for defining isolation zones by reference to geographical areas, not national frontiers.

Parliament was referring here to the protection areas provided for in the Community directives on trade in live animals and fresh meat which are to be defined in the event of the outbreak of certain epizootic diseases. The area of isolation, whose radius would be extended by the Commission proposal to 3 km in the case of classical swine fever, ignores national frontiers. If the place where the disease breaks out is close to a national frontier, the area of isolation from which trade is prohibited would be on both sides of the frontier. In such cases (fairly rare), it would be up to the relevant authorities of the Member States jointly to define the area of isolation, if necessary in the framework of the Standing Veterinary Committee. This being the case, an administrative solution to the problem already exists.

(Council Directives 64/432/EEC, OJ No L 121, 29 July 1964, p. 1977/64 and 72/462/EEC, OJ No L 302, 31 December 1972, p. 24)

Commission's position at debate: no debate

Text of proposal adopted by EP: Minutes of 14 December 1984, p.13

3. Report by Mr Herman on the proposal (COM(84) 380 final) for a decision on the coordination of the activities of Member States and Community institutions with a view to establishing an inter-institutional Community information system (INSIS)
- (i) item 3: Request for technical explanations concerning teleconferences: the emphasis placed on videoconferences in the Commission communication only reflects the interest shown in them by users. The Commission is preparing a paper in response to Parliament's request.
 - (ii) item 4: Information concerning problems relating to standards: the Commission is proposing to provide Parliament with information on these at the various meetings taking place in 1985, more especially at the information seminar on INSIS it is arranging, in collaboration with parliamentary staff, to hold on 7 March.
 - (iii) item 5: Establishment of a fully interactive telematic system for the use of MEPs: the Videotex demonstration project being prepared in the INSIS framework, in close cooperation with parliamentary staff, constitutes a first phase.

Analysis of the reactions of Members to this demonstration should make it possible to draw up detailed specifications for an operational interactive system.

- (iv) item 6: An information seminar on INSIS specifically for Members of Parliament: as indicated at (ii) above, this is to be held on 7 March 1985.
- (v) item 8: Preparation by the Commission for an annual report on new information technologies in general: as it told Parliament during the debates on the INSIS resolution, the Commission is willing to meet Parliament's request for a report of this nature.

Commission's position at debate: Verbatim report of proceedings, 13 December 1984, pp. 275-276

Text of proposal adopted by EP: Minutes of 13 December 1984, p. 60

4. Report by Mrs Hoff on the setting of ECSC levy rates and the establishment of the ECSC operating budget for 1985 (COM(84)419)

'The Commission/High Authority stated in the operating budget for 1985 that "any additional resources would be allocated to *research subsidies* and aid in the form of interest rate subsidies", thereby giving effect to item 4 in the resolution adopted by the European Parliament on 13 December 1984.'

Commission's position at debate: Verbatim report of proceedings, 13 December 1984, pp. 298-299

Text of proposal adopted by EP: Minutes of 14 December 1984, p. 18

D. Disaster aid supplied since last part-session

Emergency aid within the Community

Nil

Emergency aid for third countries

Financial aid

<i>Country</i>	<i>Sum</i>	<i>Reason</i>	<i>Distributed by</i>	<i>Date of decision</i>
Colombia	300 000 ECU	floods	LICROSS	19. 12. 84
ACP countries (to be specified)	80 m ECU	famine victims	(to be specified)	20. 12. 84

Food aid

<i>Country</i>	<i>Quantity/Product</i>	<i>Reason</i>	<i>Distributed by</i>	<i>Date of decision</i>
Rwanda	605 t vegetable oil	drought	WFP	12. 12. 84
Kenya	1,721 t cereals	drought	WFP	12. 12. 84
Bangladesh	27,920 t cereals	floods	WFP	12. 12. 84

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IN THE CHAIR: MR GRIFFITHS

Vice-President

(The sitting was opened at 9 a.m.)

Mr Pannella (NI). — (FR) Excuse me, but, like many of us, I have to leave the Chamber, having been called to a meeting of the Committee on Development and Cooperation, the convening of which has in my opinion been authorized for no good reason. Since the gift of ubiquity is not, as far as I am aware, among the rights and prerogatives of Members, I have to tell you that we are virtually being expelled, to go and do our work on the Committee on Development and Cooperation.

President. — Mr Pannella, I am afraid we cannot do anything here about your complaint. We take note of it and we will pass it on to the Committee on Develop-

ment and Cooperation. Unfortunately you yourself will have to choose where you wish to be.

Mr Pannella (NI). — (FR) Mr President, excuse me, but the convening of meetings is supposed to be authorized by the chairman, by the enlarged Bureau.

Mr Le Pen (DR). — (FR) Mr President, ladies and gentlemen, I wish to raise a point which is both personal and connected with the Rules of Procedure.

Yesterday afternoon's sitting was given over to oral questions with debate. One of these, put by my colleague Le Chevallier, was concerned with the problems of immigration. I was listed to speak but, although I am Chairman of my Group, although I was duly listed, the Presidency did not give me an opportunity to speak, and this had to do with the unfortunate fact that only ten minutes could be spent on this very important problem, after the representatives of the Communist Group monopolized the proceedings for three-quarters of an hour.

Le Pen

I look on this as one of these errors of approach which are sadly becoming commonplace in our Parliament, along with various other shortcomings, and because of these things we parliamentarians are being deprived of the opportunity to hold debates under normal conditions on the subjects of greatest concern to our Community.

President. — Mr Le Pen, the situation you referred to occurred during Question Time yesterday and has nothing to do with oral questions with debate. Members are called to put their supplementary questions in the order in which the questions are submitted to the President. In your particular case, unfortunately, we ran out of time before we could get to your supplementary question. The fact that members of the Communist Group had a lot of questions down earlier is a result of the way in which Question Time works. I am afraid there is nothing we can do about your particular complaint. I was waiting for Question No 15 because I had a supplementary. We did not get anywhere near it.

1. Approval of the Minutes

President. — The Minutes of yesterday's sitting have been distributed.

Are there any comments?

Mr Prout (ED). — On Item 6 entitled 'Topical and urgent debate, announcement of the list of subjects to be included', I note, looking down the list, that there are 6 items included and that Item 5 is human rights. Now, to the extent that this list is supposed to reflect the agreement between the group chairmen which took place at midday yesterday, it is not an accurate reflection of the positions they have taken, because 5 items were decided, the first 4 being identical to the first 4 on the list and the fifth being Music Year. There was no agreement between the chairmen that Item 5 should be included, and I do not understand why it has been so included in the minutes.

President. — Mr Prout, there is nothing that I can do about that here. I would suggest that you get hold of the leaders of the political groups and check on what actually happened. I can only suggest you get hold of the other leaders and find out what has gone wrong.

Mr Prout (ED). — Mr President, I understand that, but the preliminary question I am asking you is whether there was a decision to alter a decision taken yesterday or whether the list is simply inaccurately printed in this document? Is this what the President read out yesterday, or isn't it?

President. — As far as I am aware, that is what the President read out yesterday. Now that you have made your comment, you can go back and check with the other political group leaders and find out, if anything has gone wrong, what has gone wrong.

Mr Cryer (S). — Mr President, I think we ought first of all to express our appreciation of the way your predecessor in the Chair yesterday conducted Question Time, because he ensured that we had the full one-and-a-half hour. Anybody who makes criticisms, it seems to me, is absolutely wrong; because the President made a special effort to ensure that the agenda was properly carried out. I think that that ought to be very clearly stated.

Can I just suggest, Mr President, that you refer to the enlarged Bureau the convention, whereby only one person from a particular party is allowed a supplementary to see if there could not be some degree of flexibility so that if there is a particular issue of special concern to a national grouping, the President can have the discretion of allowing 3 or 4 supplementaries. It would require a degree of tolerance from other groupings in the House, but I see no reason why that should not prevail. It would ensure that, where a particular matter of great concern to a grouping is raised, they do not then spend 10 or 15 minutes on points of order and the President is allowed to use his discretion to allow us to get on with Question Time.

President. — Thank you, Mr Cryer, we will take note of your comments and see what can be done about the issue that you raise.

Mrs Banotti (PPE). — Mr President, apropos of the minutes — and I apologize if I am a little bit out of order procedurally here — I was informed later in my own group that, through an error, the motion for urgency that I had put down on the prevention of terrorism act was omitted from the list of human rights issues, but that in actual fact it was due more, I gather, to a technical error rather than a decision of the Bureau. I have since circulated a petition for which I have obtained 21 signatures and I understand that it then goes on the agenda for discussion during urgency and topical debate.

President. — Mrs Banotti, I can inform you that another political group has taken up the issue you refer to anyway, and that it will be among the urgencies which will be voted on at 3 p.m.

(Parliament adopted the minutes)¹

¹ *Deliberations of the Committee on the Rules of Procedure and Petitions concerning petitions — Text of treaties forwarded by the Council — Documents received — Membership of Parliament: see Minutes.*

2. Decision on Urgency

Proposal from the Commission to the Council concerning the authorization of further provisional twelfths for the 1985 financial year, Section I — Parliament, Section III — Commission, Section IV — Court of Justice and Section V — Court of Auditors (Doc. 2-1368/84 — SEC(84) 2123 final)

Mr Cot (S), Chairman of the Committee on Budgets. — (FR) Mr President, your Committee on Budgets did indeed examine the question of provisional twelfths yesterday. As you know, the system of provisional twelfths is now in operation and this raises a number of administrative problems for the various institutions of the Community, including Parliament itself. The Committee on Budgets examined a number of these requests and deferred examination of a number of others until the next plenary part-session, since we have to state our position within 30 days of the forwarding of these requests and the next part-session will provide an opportunity to deal with those requests which present more difficulty than others.

But we are ready to report on the other requests, and there are indeed very pressing reasons for us to dispose of this matter. I therefore hope that urgency will be agreed to.

Mr Von der Vring (S). — (DE) Mr President, although it is not clear from the agenda, surely we are dealing with two different items here.

The first item is the request by the Council for urgent debate on the authorization for additional twelfths in all areas of the budget. The second item is a proposal, on which we were informed yesterday that urgent debate would also be requested, concerning authorization for additional twelfths to finance the agreement with Greenland.

Now, I would like to know whether we are voting on the second item at the same time. I have heard that urgent procedure has not yet been requested on it. The Committee on Budgets has submitted a proposal, requiring a majority of 218 votes here. That means, however, that this item must be given priority on Thursday, since it would be quite absurd to expect a majority of 218 on Friday. But then the question of authorization would have to be postponed to the February part-session. Yet we cannot possibly allow any delay since the Irish Parliament will authorize the withdrawal of Greenland next week and deep-sea fishing will not be covered by any legislation.

If the Council has not submitted a proposal for urgent debate yet, then may I refer you, Mr President, to Rule 57 of our Rules of Procedure. Paragraph 1 states that the President of Parliament may also request urgent debate, if technical problems clearly arose as

regards the forwarding of such a proposal by the Council. Since it is urgent for this item, on which no differences of opinion arose in the Committee on Budgets as regards urgency, to appear on the agenda tomorrow, I would ask you to propose entering it for urgent debate on Thursday's agenda.

Mr Cot (S), Chairman of the Committee on Budgets. — (FR) Mr President, I thank Mr von der Vring for enabling me to add to the request. To my mind, the request for urgency applied to all the requests for provisional twelfths. It is better for everything to be clear and for the Greenland matter to be included, since this is very much an urgent matter in view of the cost aspect.

On behalf of the Committee on Budgets I request application of Rule 57, paragraph 1.

Mr Cottrell (ED). — There was a fairly substantive discussion in the Committee on Budgets on the request for provisional twelfths which, I thought, arrived at a very clear decision last night. It just seems to me that there may be some confusion in the minds of other Members of the House who were not present at that discussion and who, therefore, may be unaware, if they have not had the opportunity of a discussion in their political groups, of the reasons why the Committee on Budgets took a certain view and was unhappy about certain matters concerning the transfer of the provisional twelfths.

I fully accept the position which has been taken by Mr von der Vring and by the chairman of the Committee on Budgets with regard to Greenland. But this was indeed, as far as a request for urgency from the Council, is concerned a reference to a package of overall measures, a number of which the committee felt were unpalatable. I think it would be, to no small extent, misleading the House — unless Mr Cot were prepared to make it clear to the House precisely what we were voting on.

President. — Mr Cottrell, the Committee on Budgets' report will be presented to the House on Thursday in time for the vote to be taken on Thursday, and I would have thought it is in the urgent debate on that report that we can sort out all the issues. As I understand it, the Greenland issue is there as well as whatever else the Committee on Budgets wants to be there.

Mr Cot (S), Chairman of the Committee on Budgets. — (FR) Mr President, I do not wish to prolong this debate, but Mr Cottrell has raised an important point. So that it is quite clear what is being voted upon, it is agreed that on Thursday the Committee on Budgets will report on certain of the requests for provisional twelfths listed in the document and not on others, so

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that these latter will be deferred to the next part-session.

(Parliament adopted urgent procedure)

President. — I propose that this report be placed on Thursday's agenda after the report by Mr Formigoni on the accession of Spain and Portugal, and that the dead-line for tabling amendments be set at 6 p.m. on Wednesday.

Mr Rogalla (S), Chairman of the Committee on the Verification of Credentials. — (DE) Mr President, on a point of order, I was informed that the Bureau would notify the House of the outcome of the discussions of the Committee on the Verification of Credentials today. I would be grateful if you could tell me whether that will be done now or in the course of the morning, or whether perhaps you cannot yet say when it will happen.

President. — Mr Rogalla, I can tell you that is not going to happen now, but I will see that you are informed of when it will happen.

3. Controlled thermonuclear fusion (continuation)

President. — The next item is the continuation of the debate on the report (Doc. 2-1330/84) by Mr Sälzer on controlled thermonuclear fusion.¹

Mr Mallet (PPE). — (FR) Mr President, ladies and gentlemen, I welcome the opportunity to speak to Mr Sälzer's excellent report on behalf of the Group of the European People's Party. The draft programme on controlled thermonuclear fusion that has been presented to us represents the only genuinely *communautaire* research programme that has been established to date. I am not saying that the other research activities of the Community are devoid of a European dimension, but that its involvement on too limited a scale in work done by the Member States often leads to unnecessary and costly duplication of effort. In this instance, the Community is for once taking a decision on its own to set up a programme in a very important field and undertaking to coordinate application of it. It is this that makes the value and originality of this joint action aimed at developing a more fully integrated European research effort on thermonuclear fusion and its immense potentialities.

All research activities involving all the national laboratories and their researchers are covered by the European Community programme. All our countries'

resources of energy and skill, all the opportunities and risks are being shared for the benefit of our peoples. This, surely, is an exemplary venture to which we should pay due tribute. I would add that it is precisely because of this Community integration, because of the genuine European dimension of this programme, coupled with the fact that it is multi-annual and revisable, guaranteeing its durability and effectiveness, that Europe has been able, with the construction of the JET, a genuinely *communautaire* enterprise, to achieve scientific results which place it in the very front rank of the industrial powers in the world. Here we have standing proof that, when it pools resources and effort, Europe can equal and even surpass the best.

When this programme was launched, we were thinking in terms of the possibility of producing energy by means of nuclear fusion before the end of the century. That hope still remains today but, in the light of results achieved hitherto, the forecasts are much more cautious. The experts estimate that it will probably take another 20 or 30 years or more to reach the stage at which the results will be capable of industrial exploitation. Much determined effort by the Community and its Member States will have to go into this task. When it has been completed, this great breakthrough by European science, possibly supported by wider international cooperation, will provide future generations with abundant cheap energy to fuel the expansion of our economy. It will be a major contribution to the security of our energy supplies and will make the risk of further oil crises a thing of the past.

What is the annual cost of this research programme? 149 million ECU. And, as you know, the countries of the Community are spending tens of billions of dollars each year on imports of coal, oil and gas. Is 149 million ECU too much to pay for access to an energy source which is inexhaustible, since it needs nothing but seawater for its basic fuel, too much to pay for guaranteed self-sufficiency in energy? Moreover, this is a clean source of energy, excellent from the viewpoint of environmental protection.

A final word on the strategic importance of this programme to our industrial development. When the Euratom Treaty came into force — and I remember that time — we had hoped that it would enable us to build a great European nuclear industry. In that respect, application of the Treaty has been disappointing. We had the skills, but what we lacked was awareness of the need for joint action rising above special interests and the dead hand of the *juste retour*. Our objective was not attained, with the result that today 80% of our nuclear power plants are imported from the United States. That is the price that we are paying for non-Europe.

Mr President, ladies and gentlemen, we must learn the lessons of the past. We must make sure that we do not make the same mistakes by joining together, all members of the Community, in promoting the development

¹ See previous day's debates.

Mallet

of real European technology based on a common research programme.

History shows that the influence of nations, the impact that they make abroad, is indissociable from their economic strength and therefore from their technological development. Technological decline leads to political dependence and ultimately to the eclipse of civilizations.

Such is the challenge now facing the countries of Western Europe. As the example of the JET clearly shows, this is a challenge which we can meet together.

To this end, we must begin by voting for the rapid adoption of the research and training programme (1985-1989) in the field of thermonuclear fusion and for the realization of a tritium handling laboratory. In so doing we shall be laying firm physical and technological foundations for long-term action promising great benefits for the future of all Europeans.

(Applause)

Mr Normanton (ED), *draftsman of an opinion for the Committee on Budgets*. — Mr President, I commend to the House two additional amendments which have been tabled in my name: these are No 14, introducing a new paragraph 12a, and covering references to a mass of money in these regulations, and No 15, introducing a new paragraph 12b, which deals with programme overlaps.

Parliament has fought for a very long time indeed to establish the primacy of the budget in deciding what has to be devoted to any particular Community policy. The Council, since it has the last word on the legal basis, has always resisted this and wanted to include financial details in the regulations. I would like to remind the House of the tripartite declaration of 30 June 1982, which allowed mention of what are termed 'indicative figures' in regulations. The correctness of Parliament's philosophy, in my opinion, has been demonstrated clearly by these draft decisions, where quite unnecessary confusion is caused by the inclusion of financial manipulations in legal texts.

Firstly, on the tritium decision. The cash is already there. It is recognized as being a project of European significance. When the overall Joint Research Centre programme was fixed, this project was not finally settled in detail. Now it is, and the decision is merely the definition of the subject and has no financial relevance.

On the larger fusion programme, successive programmes overlap almost invariably by one year. Here we are deciding that the 1985-89 programme should follow the one for 1982-86. This is sensible and happens each time. I hope that the logic of these amendments will commend themselves to the House, and I formally move them.

Mr Ippolito (COM). — *(IT)* Mr President, ladies and gentlemen, on behalf of the Italian Communist and Allies Group I wish to announce the Group's approval of the excellent report by Mr Sälzer on the Commission's proposals to the Council regarding a five-year training and research programme in the field of controlled thermonuclear fusion, and for the setting-up of a tritium handling laboratory in the Joint Research Centre at Ispra.

As I mentioned yesterday in connection with Mr Turner's report, the field of research into controlled thermonuclear fusion is one of the few fields in which Europe has already achieved considerable success on a scale at least comparable too — if not, from certain standpoints, greater than — what has been achieved by the United States and Japan.

I should like to recall that the ten countries of the Community account together for about 20% of world expenditure on research, whilst the United States and Japan spend 27% and 17% respectively. These bare figures enable us however to make a bitter observation, namely that it is only in those sectors where this considerable effort in research is coordinated and directed by the Community — such as nuclear fusion — that results are obtained comparable with those of the two countries I have just mentioned, whereas in the other sectors they are far from being comparable.

This is due to the fact that, of the 20% of the overall total expenditure on research in the ten countries, only 1.5% is spent jointly. This is an aspect of the problem that I am very concerned to draw not only to the attention of this Parliament but, particularly, to the attention of the new Commission. In fact, if the proportion of joint expenditure is not considerably increased, Europe is destined to lose the technological challenge of the next ten years in the field of new technology, and to be reduced to the role of a Third World country.

For this reason, Mr President, ladies and gentlemen, we willingly support the Sälzer report which, in view of the outstanding international position held by the Community in the field of fusion research — as is shown by the success of the JET installation at Culham and by the results already obtained there, and as has moreover been emphasized by other speakers — views favourably the proposals for a new five-year programme for research and training in the field of controlled nuclear fusion.

This programme envisages amongst other things the setting-up of a tritium handling laboratory in the Joint Research Centre at Ispra which, already penalized recently by the interruption of the promising SUPER-SARA research programme, is now languishing in striking contrast to the decisions that were taken when, in 1958, Italy disposed of this newly-built Centre to the then newly-formed European Atomic Energy Community, which decided to make it the

Ippolito

most important installation in the Joint Centre, and one with general powers and authority. This installation has now been in a critical state for over ten years, and we therefore hope, with the setting up of the tritium laboratory, with competence for all environmental problems, as has already been proposed by Mr Lin-kohr, to be able to bring about its revival.

Finally, Mr President, may I be allowed one last observation. The Sälzer report very rightly calls on the new Commission to promote a public discussion, in the next few years, of nuclear fusion, its implications and its repercussions. We also support this proposal by Mr Sälzer, because there is no doubt whatever that — whether we like it or not — controlled nuclear fusion represents the only source of energy for the future.

Mr Poniatowski (L). — (FR) Mr President, I should like to express my support for the two reports, by Mr Turner and Mr Sälzer.

It is not by harking back to the economies of the past that Europe will make progress towards either greater power or greater unity; it will be by mounting major new projects, and also by developing the use of new technologies, whether in the field of information or in that of biotechnology. I should like to concentrate on two points in Mr Sälzer's report.

The first is the organization of this major programme on thermonuclear fusion. It is a fact that this is the only area in which Europe is ahead of the United States and Japan. In all other fields we lag behind, and it is precisely this which is jeopardizing our economic potential and our competitiveness.

The second point is concerned with the tritium laboratory. In a number of countries we have been told that this laboratory cannot, must not be built, for reasons connected with military intelligence. I want to make it absolutely clear that this is not true. In the United States you will find civil tritium laboratories and military laboratories as well. They study different problems and different aspects. If we intend to make progress in the field of nuclear fusion, we must be able to make progress on the safety of tritium, on the civil side. Consequently, the military intelligence argument does not hold water.

Finally, in connection with tritium, I hope that we shall find the Council and the Commission ready to make a choice of location. We do not want a repetition of the four years of irresolution before the decision was taken on a choice of site for the fusion programme. I hope that the site for this tritium laboratory will be chosen more quickly than that, and even more quickly than the decision for the ESPRIT project, for which the credit must go not to the Council but to the determination of Mr Davignon, who would not rest until the decision was taken.

We have a duty, a duty to the next generation, to ensure that these programmes are carried through. I trust that Parliament is fully conscious of this duty, not only here but in all areas of new technology.

Mrs Bloch von Blottnitz (ARC). — (DE) Mr President, fusion reactors of all kinds except those involving protons make an important contribution to the further development of nuclear weapons. A hybrid reactor, combining fusion and fission, with a capacity of 1 000 MW, can produce an annual 1.4 t of plutonium. There really is reason to doubt the feasibility of a fusion reactor of this D-T-TOKAMAK line, i.e. JET, NET and DEMO. Because of the physical problems, involving in particular energy density and heat loss, such a fusion reactor needs to have ten times the volume of, for instance, a nuclear fission reactor. So we have extremely high costs and very poor exploitability. So far no scientist can even guarantee that we will ever have a thermonuclear reaction.

Fusion installations produce new safety and environmental problems. For instance, lithium reacts very violently with water and tritium can only be retained very incompletely, if at all. As a result of intensive neutron radiation, the materials have only a very limited life-span, which means even more radioactive waste. The research work is already swallowing up thousands of millions and it really is most doubtful whether any country in the world will even be able to afford such a reactor.

So the situation is similar to that of nuclear fission: the safety problems and costs are persistently being underestimated. The development of nuclear fusion involves substantial resources, and we will then have no money left for alternative energy projects or renewable energy sources. We demand that part of this research money should be withdrawn and used for other projects and basic research in the field of low-level neutron and radioactivity nuclear fusion.

Mr Tripodi (DR). — (IT) Mr President, ladies and gentlemen, during the discussion yesterday morning on the statement by President Delors it was rightly emphasized that Europe must have more self-awareness — it must be more aware, that is, of what it can do by uniting the individual strengths of Member States instead of using them separately on a national basis. Well, we have immediate confirmation of this in the decisions related to the research programme in the field of controlled thermonuclear fusion, and the setting up of the tritium handling laboratory at Ispra in Italy. We agree with Mr Sälzer that the study and exploitation of that type of fusion — which is a perhaps inexhaustible source of energy for the future, and a relatively clean one, compared with nuclear fusion — not only represents a great challenge to science, because of the nature of the problems involved, but will also provide proof of the potential capability of the States of Europe, if they join forces.

Tripodi

With the long-term provision of an adequate supply of energy in mind, the Community, as a supranational body, has already been successful in achieving appreciable results by concentrating the individual national projects into one single nuclear fusion programme. Its own particular needs for this research involve the construction, at the Joint Research Centre at Ispra, of the European Tritium handling laboratory, with the task of resolving the safety problems connected with the technology itself, and with the effects of that technology on the environment.

We also agree that the laboratory, which cannot carry out on its own the work that is needed, should be assisted by other installations such as the German nuclear fusion installation at Karlsruhe, for example. This close integration in the scientific field between the research and the scientists of Member States reflects the solidarity and interdependence of a Europe united in the field of research.

In the five-year period planned — and we shall not pretend that these dates, 1985-1989, so peremptorily fixed, are totally inflexible, because science cannot be constrained by timetables of man's making — as I was saying, in the five-year period envisaged, the financial commitments of the Community amount to 347 million ECU, whilst another 443 are reserved for the completion of the entire programme. The Ispra laboratory accounts for only a modest proportion of this cost, despite the fact that tritium is a fundamental factor in the subsequent stages of achieving nuclear fusion.

Mr Petronio, who is a member of the Group of the European Right, has followed very closely the developments effecting the Ispra Centre. I refer to what he has already said so effectively in approving the report in the Committee on Energy, Research and Technology. I would only recall, in support of the programme in question, that it has the very important job of successfully providing energy when reserves of the fossile fuels that we use today are all exhausted, and when uranium has become more rare. That is why, at Ispra, they are working for the peaceful well-being of the Europe of to-morrow; more than that, they are working for the very survival of the generations of the future.

Mr Ulburghs (NI). — (NL) Mr President, I strongly oppose a further research and training programme in the field of thermonuclear fusion and the realization of a tritium handling laboratory, as the Commission and the Sälzer report propose.

Like all nuclear technologies, nuclear fusion is a form of technology that is so harmful to mankind and the environment that it can only be hoped that it is abandoned. These are insane projects dreamt up by unworldly scientists and by managers eager for profit and domination, in both industry and government. It

is high time we stopped developing nuclear energy, before our future and that of the whole of civilization is seriously endangered. Nuclear technology will become the determining factor in all social development. Such centralization of decision-making power will suffocate any form of democracy. Any alternative emerging at grass-roots level will be precluded. And we have not yet mentioned the unjustified risks to the environment, of which everyone is aware.

Let us do away with this technology, Mr President, and direct our research at forms of energy supply which do not harm man and the environment and are available in inexhaustible quantities, since they are based on renewable and clean sources of energy. There are alternatives that cost far less than the present systems for the generation of energy. We lack the political will to propagate them. I therefore appeal to all Members to do their duty and think before it is too late, so that no one need say afterwards, 'I did not know.' Not every technology is good because it has been invented by science. Whatever the economic system, in East or West, the end must not be allowed to justify the means.

Mr Metten (S). — (NL) Mr President, the review of the current nuclear fusion programme for the 1982-1986 period and the proposal for a new five-year programme for the 1985-1989 period provide an excellent opportunity for reflection. It is not simply a question of deciding whether this is a good research programme: we must also consider whether the unfortunately limited resources earmarked for research in the Community are being used effectively. Many people assume that the ESPRIT programme is the Community's No 1 research priority. But if we look at the draft budget, it is clear, in financial terms at least, that nuclear fusion research is the Community's No 1 priority. No less than half of all Community resources intended for energy research and a quarter of the Community's total research budget are earmarked for nuclear fusion research. The cost of this research, if it continues, can only rise in the future. Parliament should therefore see this review of the nuclear fusion programme as an opportunity to ask itself whether the scarce resources available for energy research are best used by concentrating them on this programme. I shall argue that this is not so.

It is not only that the technical feasibility of controlled nuclear fusion has yet to be proved: it is still doubtful that it is scientifically feasible. Successful though the current research programme may be, it must be remembered that it will be at least 20 years before the first demonstration reactor can go into operation and that, even if it is successful, it will be 50 years before commercial exploitation becomes possible. Before that stage is reached, however, 100 000 m ECU will undoubtedly have been invested in the development of the first commercial reactor. Anyone who reads the progress reports on nuclear fusion research and sees

Metten

how ridiculously long it is likely to be before success is achieved and what enormous amounts of money are involved, must surely be impressed by the proficiency of those concerned and their confidence in the success of their undertaking. When we then hear that Europe is in no way lagging behind the United States and Japan in this field, we are all too readily inclined to trust the researchers and technicians and to approve the programme. But we are wrong to do so, ladies and gentlemen.

It is the politician's task to compare the costs with the possible benefits, and this is not only an extremely doubtful, extremely protracted and extremely costly project: there are a number of other objections that make nuclear fusion as unattractive as nuclear fission. After all, nuclear fusion also creates a waste problem that has yet to be solved. It is not the nuclear fuel but the reactor walls that are now the villain of the piece. As the reactor walls have to be replaced at regular intervals, a fusion reactor would produce ten times as much highly radioactive waste as a fission reactor. Secondly, while the fuel may theoretically last for ever, the same certainly cannot be said of the particularly heat-resistant building materials used. Thirdly, a fusion reactor also poses the danger of radiation. You might be interested to hear, for example, that tritium, a highly radioactive fusion material, is the essential element of the neutron bomb.

All these factors lead me to draw the following conclusions. It is extremely doubtful that nuclear fusion is technically feasible. It is just as doubtful that the problems connected with waste, scarcity and safety can be solved. Finally, even if all these problems are overcome, it is very doubtful that nuclear fusion will be as successful commercially as other forms of energy developed in the next 50 years, because that is the time-span involved here. All things considered, my conclusion is that it would be far better for the Community to withdraw from the nuclear fusion project and use the resources that then become available to develop renewable sources of energy.

Mr Seligman (ED). — Mr President, my group strongly supports the Sälzer report and its resolution and also strongly disagrees with Mr Ulburghs and Mr Metten. Nuclear fusion is not hostile. It promises to be fairly benign as a source of energy. The products of fusion are, in fact, not radioactive; so all this scare-mongering is really quite misleading. As Mr Sälzer told us, nuclear fusion attempts to harness the type of process which takes place on the sun. It attempts to harness the process of the hydrogen bomb for peaceful purposes. We hope that in the 21st and 22nd centuries it will be the main source of energy when the world is without oil and gas. What are we going to have if we do not have fusion? As Mr Sälzer said, if we followed the doubters and dropped fusion now, future generations would never forgive us. That is what Mr Poniatowski said too. So I hope Mr Metten will bear that in mind.

Obviously, as practical research continues, new obstacles will come up. At Culham, I understand there is a problem with the surface wall of the reactor and somehow we have to keep plasma away from the wall of the reactor. But this will be solved and the national fusion programmes which go along beside JET will be very helpful in solving that sort of problem. Already Culham has exceeded expectations. They reached 30 million degrees centigrade for two-thirds of a second, which is double that achieved by the American TFTR reactor at Princeton. So we are ahead of the Americans. The cost of JET is of course very high — 347 million ECU net over 5 years. When that is added to the fusion programme that becomes 790 million ECU for 5 years. But the whole cost of JET is nothing compared with what the cost of NET is going to be — something like 2 or 3 billion ECU. That is the next stage and that is why we may have to cooperate with other nations outside the Community, as stated in clause 12 of the Sälzer resolution. Furthermore, other nations are looking into alternative methods of confinement and we may need those as well — for example, lasers.

Much work remains to be done at Culham and naturally one must continue to use the facilities of Culham to the ultimate extent. But Karlsruhe in Germany could also become a very valuable site for future work in fusion technology.

Concerning the tritium laboratory, we fully accept that a great deal of work must be done on the safety of civilian use of tritium. Some people say that existing military laboratories in the UK and France have all the know-how necessary. What is needed is a wider range of research than the military one into the parameters of civilian use of harnessed nuclear power. Mr President, will you give me time to read out the main things that have to be done in this laboratory?

President. — I am afraid not, Mr Seligman.

Mr Seligman (ED). — In that case I shall wind up my speech.

We think that ISPRA will be capable of handling all the safety-orientated work efficiently, and therefore we support both arms of the Sälzer resolution.

Mr Narjes, Member of the Commission. — (DE) Mr President, first I would like to thank the rapporteur warmly for his concise and wellbalanced report. He makes it clear that it is still too early to make a final judgment about the possibility of obtaining energy from nuclear fusion economically. The research in this field is still at the stage of proving the scientific feasibility of nuclear fusion. We hope we will be able to supply this proof with JET and similar installations, especially in the United States and Japan, towards the end of this decade.

Narjes

The report also points out rightly that in view of our responsibility towards future generations, we must do our utmost to establish effectively whether the almost inexhaustible energy potential of nuclear fusion can be made useful to mankind.

May I point out to one speaker, who referred to the situation in fifty years' time, that in fifty years' time we will have to reckon with a world population of ten or eleven, or even more, thousand million and that we must make provision for their energy requirements now, given the long preliminary running time.

The report, and many speakers, have recognised — for which I am most grateful to all of you — that the Commission managed to create a genuinely European research association in the field of nuclear fusion, within which all the activities in this field in the Member States were integrated into a joint programme. The most tangible results of these endeavours on the Commission's part are the creation of the joint JET project, the association of Sweden and Switzerland in the Community programme and a lively exchange of researchers and research material between the associated institutes, which guarantees effective utilization of the available resources and prevents unnecessary duplication. This European research association plays a leading role in the framework of the four large nuclear fusion programmes which are being conducted in the United States, Europe, Japan, and the Soviet Union. One particular success is the completion on schedule of the basic JET and the promising results of its first experimental entry into service.

The main aspects of the next stage of the programme are extending JET to its maximum configuration and its experimental operation, together with the preparation of the next stage after JET, namely NET. In particular that also means greater participation by industry and stepping up the technology programme. In this context, the Commission proposes building a tritium laboratory in the Ispra joint research centre, where the safety problems involved in using tritium will be examined.

I gratefully note that the large majority who spoke in the debate were in favour of the tritium line of our programme and may I add, with reference to a question by Mr Linkohr, that talks have taken place between the Commission officials and the responsible officials of the two Member States which have carried out research of this kind in the military field. It emerged from these talks that more research is needed on what these two Member States could supply on the basis of their military research, that not enough research was conducted by these two states, especially on the safety aspects of using tritium; so there will be no duplication if we develop a civilian tritium research line, since this is necessary for technical reasons. May I also say here, with reference to the speech by Mrs Bloch von Blottnitz, that neither a hybrid reactor nor a proton-Bor-reaction are referred to in the Community

programme and that they do not therefore come into question at all here.

The Commission points out that its general proposal is not for a kind of crash programme. Rather, the rate of activity is determined by the scientific and technical results obtained. The Commission is in agreement here with the recommendations of the Review Panel which it set up to prepare its proposed programme. In practical terms that means that the detailed design of NET, i.e. the next stage, will only begin once it has been established that the demonstration run of JET with deuterium produces the expected results and allows the introduction of tritium. According to the current schedule, that should be in about 1988. The decision to construct NET depends on the successful operation of JET with tritium. The results should be available at the beginning of the 1990s. The Commission therefore welcomes Parliament's intention to organize a wide-ranging hearing on controlled nuclear fusion before the important decisions are taken on the operation of JET with tritium and the detailed design of NET.

May I say a word about the financing of the programme and briefly inform you of the outcome of the Council meeting of 19 December. As you know, the Council agreed, subject to the European Parliament's opinion, that an estimated amount of 690 m ECU be allocated in its programme decision for the years 1985 to 1989. That would mean cutting the Commission proposal by 12.7%. Yet the Council noted with approval that the Commission intends to commit a total of 342 m ECU in the first two years, provided of course that the budgetary authority authorises these resources. That amount would enable the Commission to continue the programme on the planned scale in 1985 and 1986. For the years after 1986, the Council has undertaken to review the fusion programme and the other research programmes and, where appropriate, taking account of its commitments, to increase Community expenditure on research and development.

As before, the Commission still regards the fusion programme as the flagship of its research programmes. We believe that the Community can look with some pride at this programme, which has proved that if Europe effectively combines its forces and efforts it can assume a leading role world-wide in the development of a key technology. The existence and success of this programme once again refute the accusation of Euro-pessimism.

In the past, Parliament has taken active part in assuring this success and the Commission is convinced that it will give its full support to this programme in future too. On the amendments, may I add that we agree with Amendments Nos 1 to 7 and 14 and 15, but can unfortunately not agree to Amendments Nos 8 to 13.

President. — The debate is closed.

President

The vote will be taken at the next voting time.

4. Tax and excise duty

President. — The next item is the report (Doc. 2-1341/84) by Mr Cassidy, on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy on

the proposal from the Commission to the Council (Doc. 1-198/84 — COM(84) 182 final) for a directive amending Directive 69/169/EEC on the harmonization of provisions laid down by law¹ regulation or administrative action relating to exemption from turnover tax and excise duty on imports in international travel.

Mr Cassidy (ED), rapporteur. — The report before Parliament today in my name as rapporteur for the Committee on Economic and Monetary Affairs and Industrial Policy proposes to increase duty free allowances for travellers from their present level of 45 ECU to 150 ECU immediately. This represents an increase of 333 % and will permit travellers to choose from a wider range of goods in duty-free shops.

In recommending an increase, my report goes further than the proposals put forward by the Commission. They proposed an immediate increase from 45 ECU to 60 ECU, with subsequent increases on 1 January 1986 to 70 ECU and on 1 January 1987 to 80 ECU. Having made enquiries of people concerned with duty-free trade and taken advice, I came to the conclusion that it would not be welcome either to the customs officials of Member States or to operators of airlines, shipping lines and duty-free shops if they had to revise their printed material on 1 January every year from now until 1988 merely to take account of a modest increase in duty-free allowances of the order of 10 or of 5 ECU. I took the view, and I think authorities in Member States will take a similar view, that such a procedure would be unnecessarily costly and cumbersome and would cause confusion. It is for this reason that I have proposed a large increase to 150 ECU. Indeed, in the deliberations which took place in our committee at its last meeting before Christmas, the Commission officials who were present agreed, indicating that they would, in any case, have been prepared to accept 100 ECU. However, even at the level I propose of 150 ECU the allowances are still lower than that in respect of goods acquired tax and duty paid, which was fixed at 210 ECU.

Many Members present in the previous Parliament will recall that in a resolution of 14 December 1983 on the

proposed Seventh Directive, Parliament called on the Commission to raise the intra-Community tax and duty-free allowances to 210 ECU. As I speak today, the Commission has yet to respond to Parliament's call.

In summary, therefore, Mr President, this proposal is a way for Parliament to show that it is keen to do something for the ordinary travelling citizen of the Community, whether he travels by sea or by air, within the Community or outside it. I hope, therefore, that Parliament will agree that this threefold increase in duty and tax-free allowances to travellers shall be accepted.

One final point, Mr President. I must differentiate my position as rapporteur in this matter from the position of my own group. My own group was also in favour of a substantial increase in the quantity allowances — that is to say, the amounts of alcohol, wine and tobacco which could be purchased duty free. But, much to the regret of my group, the collective decision of our committee was to take out those proposals for increases in quantities. Nonetheless, my group is very happy with the report as now amended and hopes, therefore, that the Parliament will agree to pass it.

Mrs Van Hemeldonck (S). — (NL) Mr President, as representatives of the citizens of Europe we must always ask ourselves what is in the consumer's best interests. We might, of course, wonder what historical logic there is in permitting travellers from third countries to import certain goods tax-free. Did they really need to take a stock of provisions with them once upon a time? I can imagine Tacitus presenting himself to the Germans and saying, 'I've got my sandwiches in this bag, and I've bought a few other things besides.'

The Commission's proposal to increase the value to 60 ECU in 1985 and then, without further ado, to 70, 80 and 85 ECU by 1988 embodies a kind of inflation meter, and we can surely have no objection to that.

The rapporteur proposes exemption up to 150 ECU for adults and 50 ECU for children under 15. This indicates a sudden increase in the provisions travellers need. It would result in the tax-free allowance being higher than that applying within the European Community, where we supposedly have or want to create a harmonized internal market. This is certainly not very logical. It does not make a great deal of sense from the consumer's point of view. Those who come from afar, as the Flemish proverb goes, thus not only find it easy to lie: they can also import goods — souvenirs and so on — in considerable quantities.

However, various questions arise as regards the Member State into which the goods are imported. For example, to protect the health of their citizens, some Member States have imposed serious restrictions on such carcinogenic substances as tobacco and alcohol.

¹ The oral question with debate (Doc. 2-1387/84), by Mr Selva and others to the Commission on the rates of VAT on shoes in Italy will be included in the debate.

Van Hemeldonck

To enable them to pursue a responsible social policy, others levy a heavy tax on expensive luxury items. Travellers who import these items — tax-free — are thus at an advantage over residents in these countries, and they naturally hurt the domestic trader. On the other hand, certain domestic producers of luxury goods do, of course, increase their turnover. It is always nice to buy some perfume in France, some wine in Italy, a jumper in the United Kingdom, but when we see the goods on show in the shops on ships or at airports that sell them tax-free or offer tax facilities, we find that many of them are particularly expensive products from other parts of the world.

Nor must we overlook the fact that the consumer also consumes public services, including those provided at airports, and that many airports can use the revenue from tax-free business to reduce the airport tax that travellers must pay.

To summarize, it is clear that we are dealing here with something that has been in existence for some considerable time and that Mr Cassidy is rightly trying to tidy things up slightly in this area. Nonetheless, we are not satisfied with this arrangement. We are still in the position of falling between two stools. The New York and Kyoto conventions must somehow be brought into line with the practice in the Community, but I urge that the European consumer's interests be regarded as the primary consideration.

Mr Beumer (PPE). — (NL) Mr President, we shall support Mr Cassidy's report and therefore the amendments tabled by the Committee on Economic and Monetary Affairs and Industrial Policy, which seek to simplify matters. We also agree that a distinction must continue to be made between the standards applied in intra-Community travel and the standards that apply to imports from third countries, although we feel they might be increased.

We shall also vote for the amendment that Mr Herman has tabled. Unlike the Commission, he maintains that the standards applicable to imports from third countries must not be regarded as the reference point for the standards that apply to intra-Community travel, since this would create a completely artificial situation that would increase rather than alleviate problems.

Mr President, we agree with the rapporteur that the nature and extent of the increase in tax-free allowances proposed by the Commission would create unnecessary complications, make the system unnecessarily complex, and that the sums concerned are very small. We therefore consider it right for there to be a single increase and for it to be somewhat larger. I do not think it would be very sensible or very pleasant for indicators to have to be produced each and every year to support increases in these allowances. That would cause a great deal of fuss and bother, and travellers

would not know where they stood at any given moment, and it would also impose an unnecessary burden on the customs services.

To conclude, Mr President, we join with the rapporteur in urging that, as the report says, a start be made without delay on negotiations on reciprocity and that efforts in this respect be stepped up so that there may eventually be an increase in transport in this sector.

Mr Fitzgerald (RDE). — Mr President, ladies and gentlemen, I would like to thank the rapporteur, Mr Cassidy, for the presentation of his report on tax exemptions on imports in international travel.

However, I have one regret. He has not taken into account particular and major problems which we have in Ireland in relation to tax-free allowances for travellers. I am not including in my comments operation of airport duty-free shops. Such shops provide employment and are an important means of providing valuable income for airports within the Community. In addition, they also provide important export outlets for Irish exporters. I hope that the Commission takes this into account. For Ireland the overriding problem is one of employment. With one in six Irish workers now on the dole or over a quarter of a million people out of work, the possibility of increasing this number further cannot be contemplated.

I am quoting from the explanatory statement: 'Any proposed changes to the exemptions from turnover tax and excise duty granted to persons entering the Community would automatically also determine the allowances granted to persons travelling between Member States.' So the explanatory statement argues. The present VAT rates in Ireland are utterly counterproductive. Our 35% VAT rate — as compared with 15% in Britain — allied to duty-free allowances for travellers has resulted in massive cross-border smuggling with a consequent loss of jobs and indeed loss of badly needed revenue to the national exchequer. It is the hard-pressed Irish taxpayer who has been asked to foot the bill. Because of the more favourable VAT rates operating on one side of the artificial border that exists in the island of Ireland, a whole variety of goods is being purchased at the expense of shops and towns on the other side of this artificial border. It is a distortion of trade, but one that can be set right. Jobs can be saved.

Cross-border trading is costing the Irish exchequer some 40 million pounds a year. The situation can be reversed by introducing cuts in excise duty and lowering VAT rates on a wide range of products. Such cuts must be self-financing. Until the Irish Government shows that it is willing to do something about reducing the difference in VAT rates between Britain and Ireland, customs controls are inevitable. Until action is taken, our reservations about Parliament's amendments cannot be altered.

Fitzgerald

No government, particularly an Irish Government, can afford to lose 40 million pounds. But this is exactly what has happened because of the way it is operating excise duties and VAT rates on cars. Despite a ruling last December by the Commission that from 1 January 1985 the price of similar models of cars will not vary by more than 12% from one EEC country to another, car prices in Ireland still remain high. Duty and taxes in Ireland effectively double the price. Excise duty and VAT as a percentage of the retail price of cars was 29.2% in 1979 but 43.2% in 1983. The Irish Government, by its excise duty and VAT policies, has wiped out the importance of the company car which accounted for 60% of annual car sales in Ireland, with sales falling from a figure of 106 000 in 1981 to only 55 000 by 1984. It has done nothing to improve the situation.

Mr Rogalla (S). — (DE) For more than four years I have been calling for freedom of movement in the internal market, i.e. since the days when the word internal market was not yet acceptable in refined circles. So I would like to take this opportunity to welcome the new member of the Commission responsible for this area, Vice-President Lord Cockfield, but at the same time draw his attention to the difficulty of his task. I would like to ask him to give priority to his own judgement, his own experiences, when taking decisions, and if possible throughout the four-year term; for a tangle of creepers, of special interests and bureaucrats of all kinds, not only in the Commission but also in the Member States, will try to wind itself round him and sap his strength of purpose.

As I have said in another context, we need a kind of lord and master. I think Lord Cockfield is the right man. I wish him much success in his difficult task.

We are talking about taxes here, about VAT, and I do not understand why the Commission proposal refers to turnover tax. We are concerned with the special customs and excise duties on alcohol and tobacco, which as we know earn the states a great deal of money although they never tire of pointing out that the products damage the health of their citizens. We must point to this paradox again and again. We must stress the need for a strict distinction between the territory inside and outside the Community, i.e. third countries.

Vis à vis third countries, we have nothing to give away in the field of taxes and duties on high-tax goods. We must insist on reciprocity and must insist on observance of the conventions of New York and Kyoto. The situation on the internal market is quite different. There is no point in duty-free allowances there. We do not need duty-free allowances between the Member States, neither for presents we bring back for our friends from Rome, Paris or Copenhagen, nor for goods subject to high taxes.

We need a free internal market, especially for the consumers and citizens. How can we justify the fact that anyone today who has DM 100 m can transfer it by telegraph to the USA in order to profit from the high interest rates there, which means of course that this money is being taken out of the Community economy and cannot be used for investment any more, nor can it even be taxed, while at the same time officials peer into the pockets of a citizen travelling between Member States and it is alleged that the wellbeing of the Community budget or that of a Member State depends on whether he is carrying two or three bottles of dutiable alcohol? People throughout Europe must know this, so that the Member States, encouraged by the Commission, supported by our Parliament, will at last abolish duty-free allowances as incompatible with the internal market.

As a result, of course, we will no longer have so-called duty-free shops in intra-Community travel, for that is an infringement of the system that we no longer need. But that does not mean the duty-free shops would disappear, for they will still be necessary or have to be tolerated for buying goods from third countries; but these shops must adjust to the fact that the internal market does not tolerate privileges for travellers going by air, for instance, in comparison to those going by sea or taking a trip on a butter boat. The internal market programme for duty-free allowances is: get rid of them!

The Socialist Group therefore endorses Mr Cassidy's report. It confines itself to supporting the Commission as regards increasing the VAT ceiling for gifts brought from third countries in an administratively simple way. Increasing the duty-free allowances for high-tax goods is not indicated, since there is no reciprocity.

Mr Selva (PPE). — (IT) Mr President, with regard to the Cassidy report, by a happy chance the question that I and others put to the Commission has been included in the debate during a sitting at which the new President of the Commission, Mr Delors, and the President-in-Office of the Council of Ministers of the European Community, Mr Andreotti, are making their programme statements. And so, against the background of the picture that Delors has drawn for us for the next 4 years of his presidency, we find one of those small problems — which it occasionally falls to me to draw attention to — one of those small things that however effect the interests, the purses, and the daily life of European citizens.

What is it about, the case that I have raised? We are putting our finger on an anomaly regarding the VAT rates — the value added tax on footwear in Italy. In fact, whereas for all other items of dress the VAT rate in Italy is 8%, for footwear it goes up to 18%. This is a form of discrimination that penalizes the consumer. It can of course easily be said that this is a question for the Italians, but I shall endeavour to point out three

Selva

aspects of the question that seem to me to be European in their scope — namely, harmonization of taxation, consumer protection, and the non-penalization of a leading industrial sector that, in my country, does not reduce employment, but on the contrary, and even after technological innovation, increases it. It is a sector that has beaten the challenge of the industrial and economic giants, the United States and Japan. Italian footwear is in fact the showpiece of the world's markets. This is due, if I might be allowed to go back in history, to the revival on modern lines of the Venetian craft tradition, with the shoemakers of Brenta, Padua and Venice; and it is due also to the spirit of entrepreneurial initiative and application in regions such as Lombardy, Emilia Romagna and the Marches. With their products, which are the embodiment of quality and taste — as, I think, members of this European Parliament of all nationalities could testify — these entrepreneurs are ambassadors for Europe all over the world.

Why should we not, then, in the Community and in each Member State, help the production of Italian footwear to expand, which can come about through internal consumption and exports outside the Community? It is the protection of the consumer that we are after, when we call for this disparity in VAT rates to be removed.

President Delors rightly referred to the need to guarantee the position of the European Community in the field of advanced technology. Well, we shall succeed in an even greater mobilization to our cause, more than has been achieved so far — businessmen, model creators, and workers in the Italian and European footwear sector — if we give them the feeling that authority is not holding them back, but helping them on. In a world that is experiencing far-reaching changes, Europe is sometimes slow to accept these challenges. But here we have an example — and I say this again, with special emphasis — we have an example of success.

One last observation, Mr President. It might seem strange to some that the European Parliament, of all bodies, should ask for a reduction in VAT, the very sector of taxation to which the European Community is looking, in the near future, for an increase in its own resources. My answer to them — quite apart from the fact that it is a small drop in the ocean — is the observation made by President Delors: an additional 10 ECU in the Community budget has a greater multiplying effect than 1 additional ECU in each country in the Community. What I ask of Italy — and I myself am Italian — is that it should forego an additional ECU so that ten more can be produced by the enterprise, determination and capacity to penetrate world markets that have been shown by Italian and European shoemakers.

Mr President, I should like in conclusion to urge that this small step be taken — a step which is one of those

that bring our citizens closer to Europe, and the institutions of the Community closer to our citizens.

(Applause)

Mr Fitzgerald (RDE). — Mr President, I will be very brief in thanking Mr Cassidy, the rapporteur. I omitted to congratulate and to wish the new Commissioner well while I was on my feet. I do so now, Sir. I want to wish the new Commissioner a happy and successful term of office.

Lord Cockfield, Member of the Commission. — Mr President, may I first of all thank the honourable Members of Parliament who have offered me their best wishes. It is my firm intention to do everything I can to ensure smooth working of the relations between the Commission and Parliament, and I am very glad indeed that this opportunity has occurred for me to participate in a debate of considerable importance.

We are discussing a report which is not only interesting but forward looking. It was introduced by Mr Cassidy in a speech which, if I may say so, was both instructive and constructive. There were a number of contributions made in the debate which went, perhaps, a little bit beyond the Cassidy report, and I hope, therefore, I may be forgiven for not commenting specifically on them but limiting myself to saying that I have noted very carefully what has been said.

If I may now come to the substance of the report itself; the proposal for an eighth directive on allowances for travellers from third countries must be seen as complementary to the proposed sixth directive on allowances for intra-Community travellers. In both cases a multi-annual programme of increases is proposed; those increases being of similar proportions in the case of the two directives.

Your Committee on Economic and Monetary Affairs and Industrial Policy has, on the basis of the report drawn up by Mr Cassidy, effectively proposed two amendments to the Commission's proposals. These are to grant an increase in the third country allowance in one step instead of granting it progressively over a period of 4 years, and to bring the allowance up to 150 ECU instead of the 85 ECU proposed by the Commission, and to 50 ECU for travellers under 15 years of age.

I have taken due note of the very cogent arguments advanced by Mr Cassidy on the phasing of the increase in the allowance. He was supported on this point by Mr Beumer, whose comments I have also noted. I am very glad to say, therefore, that the Commission is happy to accept the idea of an increase in one step.

Lord Cockfield

The other main proposal, namely that the allowance should be increased to 150 ECU, does however raise considerable difficulties. It has throughout been Community policy that the levels of the third country and intra-Community allowances should rise in parallel. An increase in the third country allowance from the present figures of 45 ECU to 150 ECU would represent an increase of well over 200%. In comparison, the Council's recent decision to increase the intra-Community allowance from 210 ECU to 280 ECU represents an increase of 33% only. Even the total increase which the Commission proposed in the Sixth Directive — from 210 to 400 ECU — represented an increase of the order of some 90%. Such a disproportionate increase as is proposed in Mr Cassidy's report would be contrary to the principle of Community preference and would run counter to the efforts which have been made to strengthen the internal market. It would result in imports from third countries being favoured at the expense of Community producers without any corresponding gain for Community exports or Community citizens.

Nevertheless, I am fully aware of the strong views which have been expressed in the debate this morning. I am very willing to give further consideration to the matter in the light of what has been said. Unfortunately, however, the prospect of securing agreement on a higher figure at the present time is by no means certain. I was very impressed by what Mr Rogalla said. I have great sympathy with his point of view. As he probably knows, I started my own working life in the customs service in the Surrey commercial docks in London and many of these problems arising in this field are familiar to me. His vision of a Community completely free of internal barriers is one that we all share. We all would wish to work towards that end, but it is something that rests in the rather longer term than the context of the report at present in front of us.

In these circumstances, I would think the wisest course would be to proceed on the basis of the present draft directive and pursue subsequently the question of whether a further increase could be made. That is the course I would recommend to Parliament. I therefore urge you to approve this proposal so that we can improve the present situation without delay.

May I comment on the specific point raised by Mr Selva on the question of VAT on footwear in Italy. Under the present state of harmonization of VAT legislation, Member States retain exclusive responsibility for fixing rates of VAT. The Commission has no power to intervene in this particular area, except to ensure that national legislation is in conformity with Article 95 of the Treaty. The application in Italy of different rates of VAT for footwear and clothing is not contrary to these particular provisions. We do, of course, welcome the steps recently taken or proposed by the Italian Government to reduce the number of VAT rates, but further progress in this particular area

rests with the Italian Government rather than with the Commission.

May I perhaps be forgiven for making a personal comment on this. My wife always wears Italian shoes, so that I do have some sympathy with his point of view.

However, if I may now come back to the main question of the Cassidy report, I would ask honourable Members to agree to proceed on the basis that I have suggested.

IN THE CHAIR: MR MØLLER*Vice-President*

Mr Cassidy (ED), rapporteur. — Mr President, I simply wanted to rise on a point of order. I believe I am right in saying that this was Lord Cockfield's first speech as a Commissioner. I congratulate him on the very clear and lucid maiden speech that he made and also on his extremely conciliatory and constructive reply to the proposals in our report. On behalf of the House may I, through you, thank him for being so helpful.

Mr Rogalla (S). — (DE) Mr President, I wanted to ask your leave, after this maiden speech by Lord Cockfield, to put one question to him, by way of exception. I would like to ask him whether he is aware that the Commission policy of a parallel rise in duty-free allowances for imports from third countries and for the internal market is the kind of creeper I must earnestly warn him about. For here the opportunism of the customs administrations is paramount, as is the greed of the finance ministers who want to lose as little money as possible by the reduction in duty-free allowances.

Lord Cockfield, Member of the Commission. — Mr President, all I would say is that I have taken careful note of the points made by Mr Rogalla.

President. — The debate is closed.

The vote will be taken at the next voting time.

5. Raising of capital

President. — The next item is the report (Doc. 2-1342/84) by Mr Ingo Friedrich, on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on

President

the proposal from the Commission to the Council (Doc. 2-685/84 — COM(84) 403 final) for a directive amending Directive 69/335/EEC concerning indirect taxes on the raising of capital.

Mr I. Friedrich (PPE), rapporteur. — (DE) Mr President, this report on indirect taxes deals with a tax that is relatively unknown. It is payable when founding undertakings. The report and the Commission proposal call the whole business 'indirect taxes on the raising of capital'. That means that if a courageous Community citizen founds an undertaking now, the state can oblige him — although the rules are relatively different in the various Community states — to pay between half and one percent of the capital formed to the state. I need not point out that such a tax naturally does not encourage the raising of own capital and risk capital and therefore the founding of companies, but tends rather to impede and complicate it. So at present we have not only a tax impeding the founding of new companies within the European Community but also different rules.

(Applause)

Now this report does not just confine itself to harmonizing these taxes — something we often have to do, of course, and unfortunately often do in a way which the ordinary people cannot understand because we want to or have to go into too much detail about what is harmonized in the European Community and how and why it is done. In this case, however, we can see a positive trend, since we are concerned not with harmonising these taxes but in fact with abolishing them. It is extremely rare for a state body to propose abolishing a tax. As a rule the reverse is true.

May I point out that in the Federal Republic of Germany, for example, a tax on sparkling wines was introduced before the First World War to finance the imperial navy for the attack on the United Kingdom. Today we no longer need to equip an imperial navy. Luckily those times are past; but we still have the tax on sparkling wine in Germany and I fear we will still have it a hundred years hence.

So we now propose abolishing this tax on the raising of capital, for the trend towards reducing taxes is a necessary and a just one. Only yesterday somebody here brought up the notion of a planned economy again, which made my hair stand on end. Anyone who expects redistribution and the great state as the great benefactor to resolve our difficulties is off on the wrong track. All these redistributors and dreamers of a planned economy forget that if the state takes something out of the people's left pocket and then distributes it again as a benefit, it goes through the administration and the bureaucracy first, who hang on to at least 50%. So if the state wants to give the citizen a DM 100 benefit, it will have to collect DM 200 from him to finance it.

(Unrest)

Unfortunately that is the truth, like it or not. Everyone is talking about boosting the economy nowadays. The economy cannot be boosted by means of taxes or economic programmes, however, but by private initiative, by many small and medium-sized undertakings, and only by that means. That is why the call to abolish this tax will serve and aid the small and medium-sized undertakings and businessmen and contribute to creating new jobs. Anyone who is not quite blinded by ideology must notice — and even the somewhat left-wing tendencies in Europe should have the courage to look in that direction — that in the United States millions of new jobs were created not by economic programmes but by many thousands of small and medium-sized undertakings and by them alone! We want to help encourage this. As regards tax distribution, we must also realise, and here I am turning to my friends on my right: according to an analysis published in Germany, the two hundred largest undertakings paid 16 000 million a year in taxes.

(Interjection: 'Flick!')

He paid taxes too! Enough I hope! That same year the state paid out 18 000 million in subsidies to these two hundred large undertakings, i.e. the large undertakings receive more from the state than they pay in taxes! The main financiers of the state and society are the small and medium-sized undertakings, which is why we should promote them and help them. That is why the committee decided by a large majority to call for the abolition of this tax.

The report begins by stating that the committee wants a reduction of the tax. Where a half percent tax is required, it can and should be reduced to zero; where one percent is required, to half a percent. So in those countries which cannot bring themselves to accept total abolition, the tax should be reduced. Secondly it endorses the Commission proposal that those Community countries which are prepared to abolish this tax totally may do so, indeed ought to do so.

The Committee refrained from naming a specific date, such as 1 January 1988, for the abolition of the tax because in one small country — there is no reason not to name it, it is Luxembourg — the revenue from this tax is disproportionately important. However, I have also heard from Luxembourg that this tax hinders the founding of undertakings and that efforts are being made in Luxembourg too to abolish it. The amendments tabled to my report specify a date. As rapporteur for my committee I must say: I stand by the text which the majority of this committee adopted and which requests only that this tax should be abolished in the near future throughout the European Community. In its proposal the Commission also refrained from saying that this tax had to be abolished by 1 January 1988 or 1989.

There is a unanimous move towards the abolition of this tax and I therefore ask the Assembly to endorse the committee's report.

Mr von der Vring (S). — *(DE)* Mr President, could you not call the committee rapporteur? So far we have only heard the rapporteur for the small and medium-sized undertakings!

(Applause)

Mrs Van Hemeldonck (S). — *(NL)* Mr President, ladies and gentlemen, the Socialist Group has said time and again that it believes there is only one European problem at the moment and that is unemployment. We examine every aspect of industrial, economic and fiscal policy to see what social effect it will have. The directive now before us, like the next item on the agenda — the directive on tax arrangements for the carry-over of losses of undertakings, the subject of Mr Abelin's report — concerns the harmonization of taxes on undertakings. Both are designed to make things somewhat easier for undertakings. The directive we are now discussing is aimed at the progressive abolition of the tax — of no more than 1% — levied by some Member States on the raising of capital, in other words, on the establishment of a company.

Until the end of 1984 the Belgian authorities also imposed a time-limit in the case of limited liability companies, which meant that the tax could be levied on the same capital every 30 years. However, this arrangement has been superseded by the new legislation on trading companies. For Member States which have levied this tax its abolition will, of course, signify the loss of a major source of revenue without the working population in those countries deriving any economic or social benefit. Most other Member States levy an annual property tax. But this tax is not being harmonized because that would result in its introduction in Member States, including Belgium, which are absolutely opposed to property taxes. Consequently, in Member States which do not levy property taxes, this directive will give rise to what is known as a mortmain. While the assets of a natural person are liable to estate duties once per generation, at the time of his death, the assets of a legal person, once introduced into a company, will never be taxed again. This concession to undertakings will thus result in a reduction of public revenue but will not be accompanied by a social policy measure of any kind.

Two different methods are thus applied in the European Community: the collection of a 1% tax when the capital is raised, possibly combined with a certain time-limit on the company, and the collection of a property tax. We are in favour of fiscal harmonization, but why should it be aimed solely at improving the climate for undertakings? Why abolish tax on the raising of capital without making the property tax the general rule?

We Socialists will recommend the rejection of the directive because it will deharmonize an area of Community law that is now harmonized.

Mr Muhlen (PPE). — *(FR)* Mr President, although, on the whole, I agree with the conclusions of Mr Ingo Friedrich's excellent report, I should like to make a few comments and stress certain points.

Although I am in favour of completely abolishing the tax on raising capital, I feel that we should be careful not to act precipitously. In fact, we should not lose sight of the fact that there are other more serious restrictions on the free circulation of capital and that we should begin by tackling these restrictions. It would be a mistake to believe that free circulation of capital can be brought about by tax harmonization measures such as those which we are currently dealing with without simultaneously making persistent efforts to bring about the parallel elimination of the real barriers to free circulation of capital which arise, for example, in the area of exchange controls. In other words, we must move forward simultaneously on both fronts. In this context I should like to point out that these restrictions are a serious hindrance to the free circulation of capital and that their abolition, together with the authorization of the free use of the ECU in transactions between individuals is a precondition for monetary union. In any event it would, I feel, be premature to fix here and now a date for completely abolishing the tax on raising capital in all Community countries without at the same time making commitments with regard to a timetable for abolishing the more serious restrictions on the free circulation of capital.

With regard to the tax on the raising of capital, it should clearly not be forgotten that two countries, the Netherlands and Luxembourg, still impose a 1% tax. In view of the importance of company formation for my own country, Luxembourg, and, in particular, the relatively high rate of 1%, if the tax on the raising of capital were to be abolished in the short-term, Luxembourg would experience budgetary difficulties which could not be offset by corresponding advantages in real terms.

That is why I feel that we should move cautiously. I should also like to draw attention to the lack of logic of those who, on the one hand, criticise the Grand Duchy of Luxembourg for maintaining a 1% tax on the raising of capital and at the same time criticize it for providing tax incentives to attract capital to Luxembourg itself.

These few comments, Mr President, should be borne in mind when considering the text of this directive. Therefore the Commission was wise to refrain from fixing here and now a time limit for the definitive abolition of this tax.

Mr Patterson (ED). — I begin by welcoming Mr Friedrich's report and his speech — more his speech than his report, I may say — and also the proposal made in the draft directive, while observing that both the report and the draft directive suffer from a certain

Patterson

lack of courage. We are concerned here with amending a directive of 1969 which requires Member States to impose a 1% tax on the raising of capital by companies. Now what the Commission now thinks of this tax is admirably expressed in paragraph 2 of their own explanatory memorandum, where it felt 'that there was no longer any room for such a tax in a rational tax system'. Quite! It goes on in the text of the directive to say — and here Mrs Van Hemeldonck and the Socialist Group please note:

Whereas the economic effects of capital duty are detrimental to the regrouping and development of undertakings.

Whereas such effects are particularly harmful in the present economic situation, in which there is a paramount need for priority to be given to stimulating investment.

In other words, Mrs Van Hemeldonck, this tax creates unemployment, and I say, quite! So what is the Commission's conclusion? The best way of attaining these objectives would be to abolish capital duty. Exactly!

The Commission correctly notes that this will cost some money. The revenue effects in the United Kingdom, I understand, will be something in the order of UKL 70 million per annum. But the Commission also says, again correctly:

The objective of facilitating the contribution of risk capital to firms must in the current economic situation take precedence over that of maintaining the tax revenue generated by capital duty, the yield from which is, in any case, small in relation to the total tax revenues.

Lord Cockfield, as a former employee of Her Majesty's Inland Revenue — I think I am right in saying this — will appreciate all that.

So it is very clear to me that the Commission in its text has made out the case and would like to abolish this tax; but, unfortunately, it has lacked in some respects the courage of its convictions. We are in a half-way house, and here it has produced some problems. The directive allows Member States to abolish this tax but it does not make it mandatory, and this does not, in my opinion, accord with the object of minimizing obstacles to the development and functioning of the capital market. Therefore, paragraph 5 of Mr Friedrich's motion, which says that Parliament

points out that the flow of capital and the common market would be perceptibly disturbed if certain Member States were to abolish these taxes while others retained a tax of 1%

is entirely borne out. We are after all, are we not, all in favour of creating a common market in goods, services, people and capital.

There is one further obstacle it has created — and here I have some specific questions to put to the Com-

missioner. The draft directive nevertheless does propose certain mandatory exemptions, notably in paragraph 6 of the text, and this might create certain administrative problems. For example, it provides for the exemption of those public services which pursue cultural, charitable, relief or educational objectives. It has been pointed out that, for example, in the United Kingdom, not all cultural organizations are classified as charities. The British Government, therefore, concludes that it is doubtful whether the complication of specific exemptions would be justified. I am very anxious to hear from the Commissioner, therefore, how he believes that the administrative problems of separating those areas where exemption is mandatory and those areas where it is not, is to be solved.

My group believes that the Commission and, indeed, the rapporteur in his speech, has made out the case for abolishing this tax on economic grounds, on grounds of the internal market and on administrative grounds. In paragraph 6, the motion says that the Parliament is 'in favour of abolishing indirect taxes on the raising of capital *in the near future*'. My group is suspicious of phrases like 'in the near future'. The near future often becomes the distant future. Indeed, that was Mr Friedrich's own opinion when he presented the report. He said, quite rightly, that there should be a target date of 1 January 1988. If you do not set targets in this business, nothing ever gets done.

My group would like to put that target in. We say, let us have that in the directive, let us have it in the report. I appeal to Mr Friedrich, to Parliament and, indeed, to the Commission and the Commissioner to have some courage. Everybody agrees that this tax has got to go. Let us get rid of it soon!

Mrs Tove Nielsen (L). — (DA) Mr President, the Liberal Group is very happy to support the Friedrich report. We think it very important that a real effort be made now to get these taxes removed. We know how necessary it is that there should be freedom of movement across frontiers, not just for persons and services but also for capital. And it does not yet exist. At just this time, when we know how great is the need for new thinking and for research into new technology, for the development of new products, for ventures to meet the competition on world markets, when we know that we have such advances to catch up on, both in the United States and in Japan, it is also necessary to create real possibilities for the raising of risk-bearing capital.

Much is said about the availability of risk-bearing capital, in the individual Member States too. In some countries it is to be had, in others not. But the moment the taxes are abolished and capital becomes free to migrate across the Community's internal frontiers, we shall have taken a very important step towards a conception and a realization of the Community as a large unified common market, in which capital can be

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invested in those businesses which afford the best prospects for the manufacture of products in which there is a future.

May I say — and this is also for the ears of the socialists, who in my view have a very warped understanding of what it means to secure the abolition of taxes on capital and hence create good conditions for the injection of investment into firms and into jobs — that it is precisely by this means that we can make a very substantial contribution to the process of working ourselves out of the unhappy situation we are now in, with far too many unemployed. We must indeed abolish unemployment, which in turn means that we must create new, durable jobs, and we cannot do that unless we also create better conditions under which businesses can raise capital. Europe is full of dynamic people who want to create something new, to make their contribution to a better future for us all. Let us also get away from the idea of capital which the socialists always seek to present as something that is evil. There is no-one in the world who can deny the need of our businesses for risk-bearing capital. There is no-one who could want to maintain unemployment; we all want to abolish it. We must therefore also think of the future of our businesses. It is in the interests of us all. And there is every reason to devote so much discussion to our small and medium-sized firms. Indeed it is they which have the most to give us, it is they which are flexible and are able to adjust to the demands which the present and the future impose on us. We in the Liberal Group therefore wholeheartedly support the motion, but not the amendments.

Mr Graefe zu Baringdorf (ARC). — (DE) Mr President, ladies and gentlemen, a phantom is walking this Parliament, the phantom of capitalism as a socially and ecologically useful system. The illusion of that old German-speaking critic of Marx, Schumpeter, keeps being resurrected and although in fact it has long since died an inglorious death in the fires of two world wars, the many great economic depressions, the misery of civil wars and the dumb and desperate exploitation of the third world, it is now being sold to the media of the world, new rouge adorning its pale cheeks, as a fresh and blooming young maiden.

If I am sounding a note of pathos here, that is because I think people are trying again in this economic debate to assert the strength of capitalism. When I look at Mr Friedrich's report, which aims at reducing indirect taxes in order to boost the international accumulation of capital even more, or at Mr Abelin's report which follows the same line and wants to extend the possibilities of writing off or carrying forward losses, it is clear just how they want to resolve the current worldwide structural crisis of the post-war model of capital markets. The taxes and duties taken from the wage-earning and non-capitalist classes are to be used to produce even more tax benefits, especially for capitalists operating on an international basis. That is sup-

posed to show us the way out of the crisis and lead towards full employment and prosperity; but this thoughtless and biased assertion cannot stand up to the most superficial examination!

This method of resolving the crisis will not work. The capital only accumulates in the form of capital expenditure on extension (and not on rationalization, which destroys rather than creates jobs) if new markets offer hopes of new profits. But the new growth trends are not yet perceptible — or pose a threat. The tax benefits to improve capital profits only finance further rationalization projects — if they do not flow into speculation deals, i.e. are invested at all. So this only exacerbates the problems of mass unemployment and thus of the new poverty and split in European society.

From my experience as a small farmer and farmers' representative I know exactly how the instruments suggested here work, such as the degressive writing off of and tax reliefs on capital accumulation, which have constantly been used in agro-industrial Europe as levers to ruin all small self-employed businesses, and how they further speed up the industrialization of agriculture regardless of the ecological and social destruction they cause here and in the third world. It is not the farmers, who have to live off the proceeds of their own work, who are supported by these measures, but those growth industries which bow to the profit strategies of the agricultural machinery producers, the chemical industries and the agricultural multinationals.

That this state of affairs cannot go on is surely clear merely from a glance at the scandalous wine and milk lakes, the butter and meat mountains in the Community, while the destruction of production for own consumption is producing hunger and misery on an ever greater scale in the third world.

Let us finally refuse the shameless demands of the capital holders for public financing of their profits! Let us withdraw our support for their rationalization and industrialization orgies, their adventures into uncontrolled centralist supertechnologies which threaten the human race! Let us vote against the proposals put forward here, even if they only represent small steps in the direction I have indicated. For by not giving our support we will help to spark off the necessary political about-turn. I hope it is not too late for this.

Lord Cockfield, Member of the Commission. — Mr President, may I first of all express my appreciation of Mr Friedrich's clear and forceful exposition of his report. May I also say how much I enjoyed his interesting historical disquisition on the origins of particular taxes. If I may say so, the income tax in the United Kingdom, which has served as the model of income taxation throughout the world, was introduced by William Pitt the Younger in the course of a war in 1799, and for good or ill it remains with us today!

Lord Cockfield

So far as the capital duty is concerned, it is a very good omen that both Parliament and the Commission take the same view. I am grateful to those honourable Members who have supported the report. We both wish to free businesses in the Community from this particular tax which adds to the cost of investment.

May I say how much I agree with the points made by Mrs Nielsen. There is a very clear link between investment, cost competitiveness, output and employment.

The relief of investment from this particular tax is a measure, even if a small measure, which will ultimately help both output and employment. I entirely agree with the point made by Mrs Van Hemeldonck that unemployment is the greatest problem that we face at the present time. It is in that spirit that this particular proposal has been put forward. The Commission's proposal goes as far as is possible in the direction of abolishing the duty while respecting the acute concern expressed by a small minority of Member States which need to protect their revenues.

I therefore welcome Mr Friedrich's positive report and am grateful for the understanding he has shown of the constraints which make the outright abolition of capital duty, however desirable, unattainable at least in the short term. This was a point particularly stressed by Mr Mühlen. I am very conscious of the difficulties to which he refers. Nevertheless, we do believe that our objective must ultimately be the abolition of this tax. I assure honourable Members that the Commission will keep the situation under review so that when the moment is ripe, the process of abolition started by this proposal can be completed.

May I refer specifically to the three amendments tabled by Mr Patterson. I do not think it is realistic to set a deadline for complete abolition in three years from now. Any attempt to impose such a deadline on unwilling States might well be counterproductive. I therefore trust that, on the basis of the assurance that I have given about our intentions in the longer term, Mr Patterson will not press his amendments and that Parliament will support the report, which I do commend to the House.

Mr Patterson (ED). — The Commissioner has appealed to me to withdraw my amendments and if he feels that will be helpful I gladly do so. I would, however, ask him whether he is able to reply to my specific question about the mandatory exemptions, which are causing problems. If there is not going to be outright abolition what about the mandatory exemptions which are going to cause administrative problems?

Lord Cockfield, Member of the Commission. — Mr President, I am conscious of these problems. They do in fact exist at present because what we are doing is making an optional exemption mandatory. The prob-

lem is, therefore, there already. Our objective, which is supported by the report, was to move one step further in the direction of abolition by making what were optional exemptions now mandatory exemptions. I am sure that that is a proposal that Mr Patterson would be only too happy to support. I would be very willing to look in more detail at the specific points he has raised and if he would accept this, I shall write to him on them.

President. — The debate is closed.

The vote will be taken at the next voting time.

6. *Tax arrangements for undertakings*

President. — The next item is the report (Doc. 2-1340/84) by Mr Abelin, on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy, on

the proposal from the Commission to the Council (Doc. 2-627/84 — COM(84) 404 final) for a directive on the harmonization of the laws of Member States relating to tax arrangements for the carry-over of losses of undertakings.

Mrs Van Rooy (PPE), deputy rapporteur. — (NL) Mr President, as the rapporteur, Mr Abelin, is ill, I shall present the report he has drawn up on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy on the proposal for a directive relating to the carry-over of the losses of undertakings.

The harmonization of corporation tax is one of the areas in which the Community has so far made little or no progress. The Committee on Economic and Monetary Affairs and Industrial Policy very much regrets this because harmonization in this of all areas is considered very important both for legislation on competition and for economic integration. The lack of real progress in this area in the last few years shows how resolutely the Member States are hanging on to their national fiscal systems. I would refer in this context to the proposal put forward in 1975 for a directive on the harmonization of systems of company taxation and withholding taxes on dividends, which has still to be approved by the Council. The committee welcomes this directive precisely because so little progress has been made. This proposal admittedly has nothing to do with the harmonization of the basis of assessment itself. In fact, it merely concerns the application of the rules governing the staggered collection of company taxes.

Nevertheless, the directive we are now discussing is important for a number of reasons. Firstly, it will remove some of the disparities in conditions of competition that now exist. At present there are major differ-

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ences among the various Member States as regards the possibility of offsetting company losses against profits made in previous or subsequent financial years. This distorts competition among the Member States. Some sectors of European industry are in a less favourable position than others. This also has an effect, of course, when it comes to attracting foreign investment. Member States which permit only limited offsetting of profits against losses incurred in other financial years are at a disadvantage. This directive is thus to be welcomed if only because it will help to harmonize conditions of competition.

Secondly, it will help to improve the profitability of firms. This is in fact its most important objective, and one which the Committee on Economic and Monetary Affairs and Industrial Policy endorses, although views differ in the committee on the extent to which the arrangement for offsetting losses should contribute to the achievement of this objective. The proposed directive will go some way towards meeting the needs of undertakings which are in considerable difficulty in the present economic situation owing both to tough international competition and to rapid technological changes. It will help firms in temporary difficulty to pull through.

As the carry-back arrangement in particular will have the direct effect of strengthening the liquidity position of firms, it will help to keep investment up to the mark. Indirectly, the directive may therefore have a favourable effect on employment.

The Committee on Economic and Monetary Affairs and Industrial Policy believes that the arrangement for offsetting losses will also be particularly advantageous for small and medium-sized undertakings. The committee welcomes the fact that this directive introduces one of the measures advocated in the Community programme of action established for the European Year of Small and Medium-sized Undertakings.

Mr President, the Commission's proposal provides for unlimited carry-forward and for carry-back restricted to two years. The majority of the committee members agrees to the unlimited carry-forward arrangement but would like to see the carry-back arrangement extended to three years. They feel that in view of the importance of the carry-back arrangement in practice an extension to three years is necessary if there is to be a real improvement in the fiscal climate for European industry. Limiting it to two years would, moreover, represent a step backwards for some European undertakings. A minority of the committee members advocates, for budgetary and other reasons, a carry-forward arrangement limited to five years and a carry-back arrangement limited to two years.

Mr President, a final point requiring attention is the fight against fraud. Once this directive has been adopted, care must be taken to prevent fraud. The committee therefore feels that the 1977 directive on

mutual assistance between the competent authorities in the Member States in the field of direct taxation must also apply to this directive.

Before concluding this presentation, Mr President, I should like to make it clear that the Committee on Economic and Monetary Affairs and Industrial Policy has incorporated all the amendments proposed by the Committee on Legal Affairs and Citizens' Rights. These amendments make the text of the directive clearer and eliminate unnecessary vagueness.

That completes my presentation of this report on the rapporteur's behalf. I should now like to make a few comments on the report on behalf of the Group of the European People's Party.

My group approves the report on the proposal for the carry-over of the losses of undertakings not only because it will make for more equal conditions of competition in the European Community but above all because of the favourable effects it will have on restoring the profitability of European industry.

For most Member States the proposed arrangements will be an improvement on the present situation.

It is absolutely essential for profitability to be restored if there is to be a lasting improvement in investment, which is, after all, the best way to increase employment. Even though European industry is now in a slightly better position, the fact remains that its structural efficiency is still well below that of its leading competitor, American industry.

In terms of easing the burden on industry, the directive will be a welcome complement to the reduction in company taxation in various Member States. After all, a reduction in company taxation benefits only companies which make profits. The directive will also enable firms in the red to benefit from this easing of the burden. The proposed arrangement is not only desirable: it is also fair, since increasing the opportunities for offsetting losses satisfies the basic premise of taxation, the concept of lifetime profit, this being especially true of the unlimited carry-forward arrangement.

Mr President, my group thus fully approves the aims of this directive. This does not alter the fact that we believe a number of improvements might be made. This is particularly true of the number of years over which carry-back is permitted. The Commission's proposal limits this to two years. We do not agree with this because it would mean a step backwards rather than forwards for part of European industry, since some countries already permit complete or partial carry-back for three years. My group therefore advocates the extension of the carry-back arrangement to three years.

We are not convinced by the Commission's argument that the carry-back arrangement must be restricted to

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two years for budgetary reasons. We must be realistic. If the Commission wants to use the tax system to improve the position of undertakings, then the price must be paid. There will be budgetary implications or, as we say in my country, 'You cannot want all the frills without the expense.' The Member States must accept the consequences for their national budgets if they seriously want to ease the burden on industry. Furthermore, this is completely in line with the policy which the Commission itself advocates in its annual economic report on 1984-1985. In point 4 of this report the Commission says that the pressure of taxation on undertakings must be followed by a fairly strong downward trend in the medium term. My group endorses this policy and believes that the directive on the carry-over of losses represents a practical step towards its implementation.

Mr Metten (S). — (NL) Mr President, the report we are now discussing allegedly concerns the harmonization of legislation on the carry-over of losses of undertakings. But if we compare the rapporteur's proposals with existing legislation in the Member States, we find it also contains a hidden agenda.

If we consider the present situation as it concerns the carry-back of losses, we find that six Member States do not have any such arrangement, two permit carry-back to the previous year, one to the previous two years and one — although only since the beginning of this year — to the previous three years. The rapporteur proposes the carry-back of losses to the previous three years in all the Member States.

Let us now consider the present situation as regards the carry-forward of losses. Seven Member States permit losses to be carried forward to the subsequent five years, one to the subsequent eight years and two for an unlimited period. The rapporteur, like the Commission, proposes unlimited carry-forward of losses.

This adjustment of both carry-forward and carry-back arrangements to the most favourable situation for undertakings in any Member State would produce a combination of tax facilities that does not at present exist in a single Member State and thus be an improvement even on the situation in my own country, which fiscal experts regard as a virtual tax paradise.

I consider it misleading to present such a proposal for the improvement of tax facilities for undertakings as harmonization. And not only misleading: it is also an unsecured cheque. Who is going to have to pay for the effects these concessions have on the Member States' budgets? I am afraid that the workers will be footing the bill. Mr President, you will appreciate that the Commission's proposal and the even further-reaching proposals made by the rapporteur are unacceptable to the Socialist Group.

Mrs Fontaine (PPE). — (FR) Mr President, ladies and gentlemen, the Commission's proposal for a direc-

tive on the tax arrangements for the carry-over of the losses of undertakings was referred for an opinion to the Committee on Legal Affairs and Citizens' Rights of the European Parliament, and I should like to complement the views expressed by Mrs Van Rooy by adding my congratulations to Mr Abelin on his excellent report and offering a few brief comments.

Approximation of national taxation systems is essential in order to enhance the competitiveness of European businesses on world markets, to stimulate exports and to restore fair and healthy competition.

The European Community has made some efforts along these lines over the past several years, for instance in the field of corporation law, with a common system of tax credits or approximation of rates. It is earnestly to be hoped that these efforts will be intensified, since harmonization of tax arrangements would undoubtedly be a major step towards the European Union that we all want to see.

The report brought before our Parliament today for it to examine and vote on is to be seen in the context of this general process. And I fully approve both the terms of Mr Abelin's report and the proposals that it contains.

At present, the carry-over of losses to subsequent financial years is permitted, in various forms, in all the Member States of the Community. One of the original features of the report is the proposal for the general introduction of rules allowing the carry-over of losses to previous financial years, with an increase from the previous two to the previous three years and no limit for subsequent years. I am particularly taken with the simplicity of this scheme, which in my view gives it every chance of being efficient.

But on a more general level I should now like to make a plea about something on which I have very strong feelings. If, as I trust, Parliament approves this report in its entirety, I hope that it will not then be left to gather dust, as has regrettably happened too often in the past. It really is most disappointing that so many proposals for directives which could have brought progress for Europe, helping it to put the economic crisis behind it more quickly by creating more favourable conditions for increased investment by our industries, should have been brought to nothing, for instance by one or other Member State exercising the veto. The abuse in this regard has been too obvious and too frequent, and it is paralyzing Europe's progress. To take just one example, I am sorry that it has not yet proved possible to secure the Council's approval of the proposals aimed at facilitating mergers between European undertakings. This is another example of facilities which would strengthen the ability of European industry to compete with large undertakings from countries outside the Community.

It is time to take the measure of what is really at stake. When too many directives are allowed to go by the

Fontaine

board, despite having been carefully prepared by the Commission and studied and approved by this Parliament, both the credibility of the Community institutions and the dynamism of the European economy are put in jeopardy. And that at a time when our countries need to display both cohesion and an ability to adjust rapidly in order to cope with international competition.

(Applause)

Mrs Oppenheim (ED). — *(DA)* It is of course difficult at this point in the debate to present many new arguments and views which do not already flow from the comments on the report on the draft directive and from the observations made by previous speakers during the course of the debate.

It has been mentioned I don't know how many hundreds of times during the debates of this session that an important precondition for the implementation of the Treaty of Rome is the removal of economic and technical barriers between the Member States. And I believe that this view cannot be repeated often enough. The Commission's proposals constitute a significant liberalization of the possibilities open to firms of carrying over losses, for tax purposes, either to previous revenue years or to future years. In the opinion of my group, this proposal is extremely welcome and meets many of the criteria and wishes the satisfaction of which will be beneficial to the business life of the Community. Indeed the divergences in tax rules from one Member State to another have often proved to be so great that firms have been able to secure a competitive advantage by speculating in domiciling arrangements. It is an intolerable situation, which this proposal may help to overcome.

For, without harmonization in the field of taxes and duties, we shall never get free trade across the national frontiers. As matters stand today, a great many situations are illusory, and progress is urgently needed. But, as is also pointed out in the report from the Committee on Economic and Monetary Affairs and Industrial Policy, this proposal is only one small corner of the tax area as a whole. The new Commission is therefore urged to pursue its efforts in this direction as rapidly as possible. My group favours adoption of this report, though we have one or two reservations and we have pointed out some deficiencies with regard to the arrangements for implementation.

But I can also say that the group favours fixing the period for which losses can be carried back to three years instead of the two years proposed by the Commission. Since many Member States today already have arrangements for the setting off of losses carried back over a period of three years, it would be utterly unreasonable for a draft directive such as this to reduce the advantages they enjoy under their own law.

But for many countries — including Denmark — precisely this part of the proposal for the carry-back of losses is an innovation which could be of benefit in a great many situations. Indeed it could even mean survival for some firms. And here I think that our colleagues in the Socialist Group should realize that, without some conditions which favour business, making it possible for the wheels to keep turning and hence promoting production and employment, it is of no use whatsoever. There is no point in harmonizing taxation measures in such a way that firms get less favourable conditions than they enjoy at present. There is also the need to strengthen European firms to enable them to compete effectively with American and Japanese firms, and this is an issue which has been under discussion here in Parliament over recent months. Without favourable conditions, the whole system will grind to a standstill, and this proposal from the Commission can contribute to an improvement in the situation. It is not merely a useful tool; for some firms it may be a lifeline, for example where it is not possible to raise capital by any other means.

I recognize of course that the proposal might possibly be misused in quite specific situations. But no proposal can provide a 100% safeguard in all situations. I therefore feel that we must take on board the isolated risks of abuse that may arise in certain situations.

Mrs Hoffmann (COM). — *(FR)* Mr President, it is a complete misnomer to describe the proposal from the Commission for a directive on the tax arrangements for the carry-over of the losses of undertakings as a harmonizing directive. As compared with the existing tax arrangements in the various Member States, it is more a case of obliging each of the Member States to apply ultraliberal arrangements the effect of which would be to emasculate corporation tax.

I would point out that the Communist Members of the French National Assembly have recently shown their resistance to a system allowing companies to offset losses against previous years' profits, thus establishing a credit against corporation tax. Let it be said quite frankly, the Commission's proposal goes even further, opening the door to all manner of abuse and fraud. It allows companies to offset their losses against the profits, whether distributed or not, of past or future years, in the order that they choose.

At a time when workers are facing massive unemployment, cuts in their wages and their purchasing power, and attacks on their trade-union rights, here is an attempt to allow employers to make totally irresponsible use of an exorbitant privilege, the privilege of avoiding tax. The Commission maintains that this will release resources which companies will be able to use to finance growth, but it is financial and speculative growth which will be stimulated, not job-creating investment.

Hoffmann

Mr Abelin himself feels obliged to admit that the loss of this source of finance will have severe budgetary consequences for several Member States. Again, the matter of the transfer prices applied by multinational companies as between their subsidiaries is quite simply sidestepped. And yet the Commission is aware that, in the absence of rules in this area, all sorts of fraud are possible. This directive, in our view, is not only dangerous but uncalled for. We shall be voting against it.

Mr Wolff (L). — *(FR)* Mr President, ladies and gentlemen, of all the fields where Community harmonization is feasible and desirable, the economic sphere and taxation recommend themselves particularly, as long as the aim of such harmonization is not to increase the formalities, delays and interference with which undertakings in Europe have to contend but to foster or indeed restore their dynamism. This is the proper context in which to approach the Community-wide approximation of the fiscal treatment of undertakings, which cannot fail to have beneficial implications in terms of investment and production costs, making for fair competition by the creation of conditions which are identical from one country to another.

The proposal for a directive on tax arrangements for the carry-over of the losses of undertakings which we are examining today falls into the general pattern of fiscal and financial measures designed to encourage investment. We can therefore only welcome this directive, which is most opportune. It is a measure which many European undertakings, notably in France, have been anxious to see introduced. However, it should be made absolutely clear what is meant by fiscal results. As you know, fiscal results are often very different from trading results. The effects of such a Community measure will be considerable, since it will go some way towards enabling undertakings to replenish their shareholders' equity and those in difficulty to set themselves on the path to recovery, using their own resources. As well as making for healthier levels of shareholders' equity, reimbursement can give a fillip to an investment-led recovery, thus reducing unemployment, and it can obviate the need for recourse to the financial market, by way of borrowings or overdrafts, thereby alleviating financial costs.

I turn now to the criticisms that have been made of this measure. Those who are against the carry-over of losses point to the reduction in budgetary revenue that it would entail, which would be extremely high, they say, although impossible to calculate. This must be refuted. Apart from exceptions arising on account of the particular circumstances of individual undertakings, any reduction in fiscal revenue would in fact be on paper only, not a real reduction. Where a carry-over to previous years was applied to an undertaking whose fortunes then took a turn for the better, its effect would merely be to delay the collection of taxes, since losses carried over to previous years could not be offset against future profits. On the other hand, there

would be a real cost where an undertaking which had been reimbursed for taxes from previous years then failed one or two years later. The taxes reimbursed would then be lost to the State. Measures could be introduced to deal with such cases. However, it is unquestionably better to adopt this system than to offer subsidies, which would also be lost, or loan facilities, even at subsidized rates, since, as was said earlier, they would create an additional financial burden, which is the last thing that an undertaking which is already in difficulties needs.

The text as drafted by the Commission represents a liberal, simple formula for applying a measure which is already known in several Member States. We therefore found no need to make substantial changes to the text, except on one point, where we have proposed that it should be possible to offset losses against the three preceding financial years rather than two, so as to bring the text into line with the most favourable conditions found in certain Member States. One of our colleagues has referred to the differences between Member States; I should simply like to mention that he has forgotten one of the most important problems, namely the application of deferred depreciation during a loss-making period.

In conclusion, it is to be hoped that this directive will be received as favourably by the Council as by Parliament, and that this will encourage the Commission to bring forward further proposals for tax harmonization soon, so as to create a favourable environment for European undertakings and to stimulate their competitiveness in a context of equality of treatment. The Liberal and Democratic Group will be voting for this text.

Mr Juppe (RDE). — *(FR)* Mr President, ladies and gentlemen, the report presented to us by the Committee on Economic and Monetary Affairs and Industrial Policy on tax arrangements for the carry-over of the losses of undertakings deals with relatively technical matters. There is therefore a need, in my view, to set it in a more general economic context, that of the position of European undertakings relative to external competition.

Among the factors accounting for Europe's industrial weakness, a much discussed topic, two are rightly given much prominence. The first of these is the unduly low level of profitability among European undertakings compared with their American or Japanese competitors — the figures are well known. This lack of profitability is reflected in a number of problems, and in particular the limited capacity for investment generated by retained earnings. The second factor is the lack of a large market within which the rules, on taxation in particular, are genuinely harmonized. There have been many speeches on these two topics. Today we have an opportunity to make a start on taking practical action to deal with them, limited action admittedly, but important.

Juppe

What, then, is the present situation? In all Member States of the Community, losses sustained in a given year can be offset against the profits of subsequent years, without time limit. However, it is only in three Member States that losses can be offset against the profits of preceding years, and then only subject to certain restrictive conditions, notably limits on the amounts involved. Apart from the obvious distortion of competition, this places certain undertakings under a handicap, and those most severely affected are the ones which innovate, which invest, those which are developing or which have only recently been set up. In view of the absolute priority that Member States should be giving to job creation, and therefore to the sound financial health of business undertakings, the existing system must be reviewed.

How, in these circumstances, is the Commission's proposal for a directive to be judged? The Group of the European Democratic Alliance considers this proposal to be a step in the right direction. First, and this is so obvious that I do not need to dwell upon the point, because it represents progress towards harmonization of tax arrangements in our various countries. Secondly, because it avoids the pitfalls of complexity and what I would call bureaucratic refinement, which is dear to the hearts of so many of our tax experts. It imposes no ceiling. It allows freedom to choose the order in which losses can be offset, so that they can be spread over both previous or subsequent years or over subsequent years only. From this point of view, moreover, the amendment proposed by the Committee on Economic and Monetary Affairs and Industrial Policy, which raises the number of previous years against which losses can be offset to three, seems a good idea to us. Finally, the arrangements for applying this measure, which I do not propose to go into in detail, are liberal in their inspiration.

It is true, as the Committee on Economic and Monetary Affairs and Industrial Policy points out, that such a measure entails risks, of fraud and abuse in particular, but I personally know of no tax provisions which are free of risks. It is simply a matter of taking the necessary precautions.

It is also true that certain consequences of this proposal will call for vigilant monitoring. I refer in particular to the impact of the potential loss of revenue on Member States' budgets, precarious as they are. But we are still not in favour of additional precautions and protective measures, even of a transitional nature.

The employment situation and, since they are indissociable one from the other, the situation of industry in the Community are such that they demand a bold approach. This is why our Group is minded to approve the proposal for a directive, without attempting to limit its scope or to complicate the machinery for applying it. In fact, this is only boldness on a very limited scale since — I am reaching my conclusion — the text before us today represents only a tiny step in

the direction of harmonization and reduction of taxes and social charges, towards which our Community should be moving with much more resolution and ambition.

Mr Alavanos (COM). — (GR) Mr President, I see that all of a sudden the name of Commissioner Cockfield has been added to the list of those down to speak, before the debate is over and before various speakers, amongst them myself as spokesman for the Communist Party of Greece, have had a chance to speak.

I do not think it is right that the Commissioner should speak before all the views of this Parliament have been heard. Therefore, even if it means continuing the debate at this afternoon's or tomorrow's sitting I think it would be proper if you were to stick to the usual practice with the Commissioner speaking at the end of the debate.

President. — Mr Alavanos, I would draw your attention to Rule 66(5) of the Rules of Procedure which reads:

Members of the Commission and Council shall be heard at their request.

Lord Cockfield has asked to speak now as he has other engagements in the course of the day. I therefore call Lord Cockfield.

Lord Cockfield, Member of the Commission. — Mr President, may I first of all thank the rapporteur and the Committee on Economic and Monetary Affairs and Industrial Policy for their efficient and rapid work in producing what can only be described as an admirable report and to express my appreciation also to Mrs Van Rooy for her very clear exposition of it.

In the present economic situation a first priority must be to improve the fiscal environment for undertakings and to increase their competitiveness and hence their prospects for growth and the creation of employment. These points were made very forcibly by Mrs Fontaine, Mr Wolff and other honourable Members.

The Commission's proposal contains three main elements. First, provision for unlimited carrying forward of losses. Second, an option to carry back losses over a period of two years and, third, a facility for the undertaking to choose the order of compensation of losses with a view to maximizing its advantages.

May I thank the committee for the spirit of cooperation which has made possible the withdrawal of most of the amendments initially envisaged and which would have limited severely the scope of our proposal. The Commission is willing to accept the one amendment of substance proposed by the committee and explained in detail by Mrs Van Rooy and supported

Lord Cockfield

by a number of honourable Members. This amendment provides for an extension from 2 to 3 years of the period during which losses may be carried back. We consider that there may be good reasons for a limitation to 2 years as originally proposed, but the Commission accepts the logic of your committee's proposal which is to integrate in a harmonized Community system of loss compensation all the most favourable rules existing in the different Member States. This, in principle, is the answer to the point made by Mr Metten and by Mrs Hoffmann.

With one exception, however, we do not think that the proposed drafting amendments represent improvements in our text. The exception relates to a point of substance. Here we agree with the committee that the drafting should be changed in the interests of clarity. The Commission will therefore propose amending the wording of the last part of Article 2 concerning the treatment of foreign permanent establishments and subsidiaries. The revised draft will make it perfectly clear that Member States may exclude the losses of foreign permanent establishments and subsidiaries from the harmonized rules on loss compensation.

Mrs Van Rooy raised the point of the possibility of tax avoidance. The same point was raised elsewhere in Parliament. As a former Commissioner of inland revenue may I say I am very conscious of considerations of that kind, but I do assure her that the 1977 directive which provides for the exchange of information between fiscal authorities does in fact apply to the taxes covered by the present draft directive. I hope, therefore, that with this assurance and with the amendments that I have proposed — one of substance and one in the interests of clarity — Parliament will support the draft directive.

Mr Besse (S). — (FR) The Commissioner was referring just now in connection with the earlier report to the need to go as far as possible. I am afraid that, with this report, we are going too far, too fast. While it may be necessary to grant tax facilities and adjustments for business undertakings, there is no call to giftwrap them, New Year or not.

The Commission's proposal for a directive on the carry-over of the losses of undertakings is intended as a measure moving towards harmonization of the rules governing the basis of corporation tax. The carry-over of losses introduces an element of flexibility over time into the arrangements for the collection of corporation tax. This measure, admittedly, is likely to influence undertakings' capacity for investment and competitiveness. An undertaking can, of course, experience short-term difficulties, or come under pressure of competition on external markets, and in such circumstances the carry-over of losses may be justified. Similarly, an innovative undertaking may experience the fluctuations in fortunes often associated with innovation.

In an earlier report on Community policy on investment presented by Mrs Desouches, the European Parliament suggested measures along these lines as part of a range of taxation measures aimed at enhancing undertakings' capacity for investment from retained earnings and their development. It is true that, given the diversity of existing rules, this tax harmonization measure makes for a more even spread of the burden on undertakings and puts the conditions of competition on a fairer or more *communautaire* footing. It may therefore prove to be a useful measure. The principle that it embodies is likely to be conducive to the development of small and medium-sized undertakings.

While we do not think that there is any justification for serious disagreement on the principle, the arrangements for the carry-over of losses, whether as set out in the Commission's proposal or as adjusted in Mr Abelin's report, raise several problems. The Commission has chosen to harmonize the rules for the carry-over of losses on the 'most liberal' basis possible. To this end, it has proposed unlimited carry-over of losses to subsequent years, when such a facility exists only in Ireland and the United Kingdom. The other Member States of the Community, apart from the Netherlands, generally apply a limit of five years, which is the same as in Canada and Japan, while the limit is seven years in the United States.

Secondly, the proposal allows losses to be offset against the preceding two years, whereas this option is available only in Ireland, the Federal Republic of Germany and the Netherlands.

In his initial draft report, Mr Abelin, mindful of what he considered to be the Commission's excessive ambition, had proposed a limit of five years on the carry-over to subsequent years and a transitional period for carrying back losses to previous years.

During the course of examination of Mr Abelin's draft report in committee, these restrictive provisions were rejected. Indeed, several amendments were adopted to accentuate the already very liberal tone of the proposal. We found this sudden attack of liberal fever coinciding with the onset of winter a little surprising.

The risks presented by this text proposed to the European Parliament can be summed up as the risks of excessive liberalism and a lack of realism.

Excessive liberalism, since provision for unlimited carrying forward of losses and an option to carry back losses over a period of three years will have significant budgetary implications for the Member States. Such excessive liberalism may also defeat the economic objective envisaged, which is to help undertakings which are in difficulties but which are well managed, not to offer unconditional and unlimited aid to undertakings which are poorly managed or have no future in their particular branch of industry.

Besse

Finally, excessively liberal application of the carry-over option could lead to abuse. In this connection, I would mention the scope for fraud available to multi-national undertakings.

Consequently, in view of the budgetary implications, the economic risks and the risks of fraud associated with adoption of these arrangements, it would seem sensible to adopt an attitude which, while open, would be more restrictive, for instance by limiting the provision for carrying forward losses to a maximum of three or five years, as proposed in the amendment tabled by Mrs Van Hemeldonck, and reverting to the Commission's proposal of a limit of two years for the carrying-back of losses, as the rapporteur initially proposed.

Finally a lack of realism, since there is an obvious contradiction between the Commission's hope that the directive will come into force on 1 January 1986 and the decision to go for such liberal harmonization that it will require very substantial legislative changes in all Member States, except for the Netherlands and the United Kingdom and to a lesser extent, Ireland and the Federal Republic of Germany. I would remind the House that it took Germany ten years to introduce such arrangements, taking care to set up machinery to ensure that harmonization could be introduced smoothly.

The Commission's proposal for a directive is perhaps entirely justified as far as the principle is concerned, but it is too liberal in the practical arrangements envisaged. This liberalism has been heightened by the amendments made to Mr Abelin's draft report. We are now confronted with a text which goes too far, too fast. This is why our Group will be voting against it.

(Applause)

IN THE CHAIR: MR PFLIMLIN

President

President. — We shall now interrupt the debate to hear Mr Andreotti's statement on the Italian Presidency.

7. Italian Presidency

President. — The next item is the statement by the President-in-Office of the Council on the Italian Presidency.

I welcome the President-in-Office of the Council, Mr Andreotti, who has graciously come to the House to explain the programme of the Italian Presidency.

(Applause)

Mr Andreotti, President-in-Office of the Council. — *(IT)* Mr President, ladies and gentlemen, the opportunity I now have as President-in-Office of the Council, to set forth before this Parliament, in which I remember having participated, the outlines of the programme of work for the first six months of 1985 is not intended to be solely a formal act, a ritual performance, however important.

I should like you to know that the frame of mind in which I appear before you is that of someone who, having taken part from the benches of the Italian Parliament since the Constituent Assembly in major political battles, has rooted in him the essence of the Parliamentary function through the democratic development of the institutions. And since the Community desired by the founding fathers, which we still desire, is a Community based on the principles of democracy in which the voice of the people, of whom you are the faithful interpreters, becomes a key fact, I consider I should impress on you, at the beginning of my speech, the need to give the dialogue between the Community institutions and, in particular, the dialogue between the European Parliament and the Council, substance and consistency, qualities which are desirable for, and well-suited to, bringing about real progress in the political and economic integration of our continent.

Allow me to make a brief remark.

If we have succeeded in attaining and, may I add, preserving unity, albeit to a still limited extent, within a Community which is struggling to make progress but which certainly does not lack a soul, we owe it to the very fact, in my opinion fundamental, that this is a Parliament directly elected by European citizens. We are not therefore dealing with an artificial construction, with the result of summit alchemy, but with an institution which is clearly popular in nature and which is intended to give the work of the other institutions envisaged by the Treaties of Rome a content more in keeping with the needs and aspirations of the peoples of our continent.

I should also like to address to the new Commission and to its President, Jacques Delors, our sincerest wishes for the success of his work. We are all aware of Mr Delors's worth and ability, and last Monday we were able to appreciate the down-to-earth nature of his programme address. The role of the Commission as proposer is a vital one in the life of the Community, one which we must all safeguard and enhance through the development and strengthening of the plan for union. Jacques Delors too had the opportunity and the privilege of being part of your Parliament. It is a coincidence shared by the President-in-Office and the President of the Commission which has a very definite significance.

In setting out for you the guidelines and the priority areas for action in the six-monthly programme, I must first of all refer to the international framework of

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which the European Community forms part and to the economic and social reality of our ten countries.

We often hear of the 'call for Europe' and of the influence which a united Europe could have in helping to initiate solutions to major international problems. None of us in fact can deny that our continent is in a position, through the culture it represents and also through the great strength of its economy, to exert a trenchant influence on the course of events. But notwithstanding the progress achieved to date, there is a problem of political will, a will which is still too often slow to reveal and establish itself, a will which should be expressed in concrete terms, not indeed through hegemonistic calculation but by giving international events a more balanced course, thereby avoiding extreme positions.

If this political will for European union eventually prevails, as we hope, we shall then be in a position jointly to make a positive contribution to the cause of détente and peace, a cause which seems to have been strengthened, which we can only be pleased about, by the recent meeting in Geneva between the Americans and the Soviets.

In consideration of the economic problems, there are many signs that a general recovery is under way in our countries. This is encouraging, but it must not prompt us to disregard the grounds for concern or to refrain from careful and ordered management of the present delicate phase of industrial transition. In this regard, we must pay special attention to the social aspects stemming from the still necessary reconversion and restructuring of the production systems of our ten countries.

I recall that on several occasions this Parliament has stressed the seriousness of the distortions caused by the failure to co-ordinate, between the Member States, policies to promote and encourage technological innovation, a failure which has led to serious tension on the labour market.

I feel that we also have to learn from these recent experiences, in order to strengthen the strong and pressing commitment of the Presidency-in-office to continue along the path of the political and economic integration of our continent.

It is certainly not our wish to indulge in vain ambition; instead, we want to move forward with our feet on the ground, i.e. to move forward, not stay still, in the conviction that in the long term a policy of small steps forward is much more productive than certain bombastic initiatives intended more to fire people's imagination than to have a profound and constructive effect on the realities of everyday life.

It seems to be that a concept of the Community as a strong and open entity, in continuous evolution, necessarily leads us to dwell in the first instance on the

problems of its present position, as the premise for a subsequent examination of both the questions linked to enlargement and of the relations which the European Community has with the other countries. It is on these three problems that I intend to make my remarks.

The Italian Presidency-in-office intends to commit itself fully with a view to defining a strategy for relaunching the Community's institutions.

You were the first to point out in concrete and constructive form the limits of the Treaty of Rome with regard to the prospects for an organic relaunch of the integration process. You did so in the conviction that reform has now become an essential requirement; a reform which takes us forward, not backwards, unless we want to wipe out all the results obtained up to now and unless we prefer to reject integration and fall back on a minimalist position, such as that represented by the free-trade area.

However, this latter assumption is certainly not what is wanted by the people of Europe, the ten Governments or this Parliament.

In approving the draft Treaty establishing the European Union, the Strasbourg Assembly has clearly indicated the objective to be pursued in order to emerge from the present crisis. The Governments of the Member States, for their part, have understood the significance of this gesture of great political courage.

Would we have succeeded, without the European Parliament, in setting up a Committee with the very task of putting forward suggestions to improve the functioning of European co-operation in the Community sector, in that of political co-operation or in other sectors? I think it highly unlikely, and we must consequently appreciate in all its significance the value of this Parliamentary initiative, which did not merely have the tone of an exhortive gesture, but is much more in that it makes provision in concrete form and, I should add, very realistically, for the solutions to be adopted.

In exercising our Presidency-in-Office, we intend to commit ourselves to the full in order to stimulate a wide-ranging debate on the prospects of institutional reform, which takes account of the draft Treaty voted by the European Parliament as well as of the *acquis communautaires* and the Solemn Declaration of Stuttgart.

We are convinced that the commitment, which seems to be emerging clearly from the work of the Committee on Institutional Affairs to achieve significant progress towards the reorganization of the Community, which ought to be characterized by clearer forms of integration, represents a historical opportunity which must not be wasted.

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Naturally the comparison with the difficulties we measure up to, so to speak, every day suggests caution to us all: caution which is not, however, fear of what is new, but awareness that the path which we still have to take is long and fraught with difficulties, difficulties which do not frighten us, but which instead strengthen our will to seek patiently but firmly the most suitable methods to bring together little by little different points of view, while creating at the same time conditions for agreement and consequently progress on the path to union.

For our part, no effort will be spared in seeking agreement by June on a date for convening an inter-Governmental Conference with the task of negotiating the Treaty on European Union on the basis of the conclusive suggestions to be provided by the Committee on Institutional Affairs.

We shall work towards the definition of a mandate which avoids any misunderstandings, and which is therefore worded in sufficiently clear terms to subsequent work not to become bogged down, as has unfortunately happened in the past.

We wish to associate the European Parliament with this task of formulation and preparation, welcoming the hope expressed by this Parliament in its Resolution on 14 December.

We are also aware of the fact that the conciliation procedure on the important acts of the Community ought to be reviewed. Although the meeting which took place last November between the Enlarged Bureau of the Presidency of the European Parliament and the Council did not lead to the results hoped for, this must not be a reason for the Presidency-in-Office to refrain from making further attempts to overcome the present differences, in due recognition not only of the institutional role of the European Parliament but also of the action it has carried out in order to achieve the objective of union.

Allow me to mention in this context the other Committee also, set up by the European Council of Fontainebleau, the Committee for a 'People's Europe'.

We intend to give the greatest possible impetus to its work in the next six months, precisely because we are convinced that a hypothesis for relaunching the Community must be accompanied by a strengthening of its identity and of its credibility for European and international public opinion.

The decision to set up this Committee was imposed by the requirement, widely shared, to bring back the European dimension to the level of the citizens who live in Europe; to transfer the realities of the Community from abstract ideas, which all too often characterize our way of debating the problems of Europe, to a reality which is within everybody's reach, and thus to have a positive impact on the image of European soli-

arity, which particularly just recently has been obscured by excessive and sometimes sterile controversies between the Governments of the Member States.

However, for the Community to be able in the meantime to return to a situation of proper financial management and one in which commitments are planned we must work as quickly as possible towards the approval of the budget for 1985.

In this connection, I must make one thing clear straightaway. We are all aware that, beyond the financial discussions, there are concerns of a different kind. In particular those relating to a more correct position on relations between the Community institutions.

The majority (and it is perhaps more correct to speak of near-unanimity) established within this Parliament on the budget problem is itself indicative of the current state of unease, which could degenerate into an institutional crisis with serious consequences for the development of Europe.

The Italian Presidency intends to make every possible effort to find an early solution to the problem of the new budget, which conforms both with the Community spirit as revealed by the discussions in this Parliament and with the agreements reached by the European Council at Fontainebleau.

The facts of the problem are well known and there is therefore no need for me to dwell on them.

For our part, we shall strive to ensure that the principle of an annual budget, as demanded by this Parliament, is observed, possibly by anticipating by a couple of months the entry into force of the decision on the increase in the revenue from value-added tax. This working hypothesis may come up against insurmountable difficulties. In that event, we shall consider alternative temporary measures, Community ones, as far as possible. However, I consider it essential, in this search for solutions acceptable to all, to take care, first of all, to improve the political climate and to start a dialogue between the institutions that will genuinely profit the Community.

As to the arrangements for reimbursing the United Kingdom, and given the various positions expressed by the European Parliament and the Governments, I would point out that we are not discussing the principle — and I shall quote here the Final Communiqué at Fontainebleau — that 'ultimately, the chief means for resolving the problem of budget imbalances is expenditure policy', in other words, the development of the common policies.

It seems to me, however, that the compromise formula drawn up at Fontainebleau (which allows Member States with an excessive budget burden relative to their prosperity to have their Community budget contribution adjusted) should be applied for the time being.

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I should like now, ladies and gentlemen, to speak for a moment in my capacity as Italy's Foreign Affairs Minister. My Government fully shares the concern, felt by all political groups in this Parliament, which lies at the root of the decision to reject the draft budget for 1985. I entirely appreciate that in this way the Parliament wanted to express its disapproval of a trend which appears to be establishing itself in the Community and which appears to be aimed at circumscribing and limiting the already restricted powers of this Parliament.

During our Presidency, we shall tackle the complex problem of the budget without confining ourselves to the search for purely technical solutions; we shall endeavour to renew the relationship between the European Parliament and the Council, and begin a profitable and constructive dialogue in accordance with the spirit of the Treaties.

It will be our task to carry out a patient process of persuasion to reconcile the positions of the two institutions and thus achieve that budgetary peace which both institutions have recently declared to be desirable.

The Italian Presidency will also take steps to ensure that this Parliament is associated with the Council in the task of determining the frame of reference for the expenditure to be entered in the Community budget, taking account of the financial resources available. I am sure that the European Parliament and the Council — which, as envisaged by the Treaty of Rome, have authority in budgetary matters — are pursuing the same objective, namely rationalizing expenditure and avoiding any possible wastage, so as to make available, by means of the necessary adjustments as well, the resources to be devoted to developing the new policies.

Still on the question of the Community's internal development, I feel it important to spend some time considering the positive trends in the Member States' economies during 1984.

The results achieved by the Ten were essentially due to the adoption of policies to stabilize and control the money supply, but they were not sufficient to prevent a further worsening in the employment situation. The Commission expects the unemployment rate to continue rising in 1985 as well and to reach a level of about 11.5% of the working population in Europe (a total of some 12 million people); in this context, of course, youth unemployment and long-term unemployment will figure even more prominently.

In our view, unemployment is the central problem, to be resolved, and it is at this problem that we believe specific analyses and action should be directed on a concerted basis by the Member States of the Community.

I must point out here that between 1973 and 1983 the average annual increase in earnings was about the

same in the United States and the European Community (about 2%); but while in the United States this led to the creation of about 15 million new jobs (at a rate of increase of 1.5% per annum), in Europe there was a fall of about three and a half million.

The Italian Presidency therefore intends to ensure that the central importance of the issue of employment is the main criterion guiding the determination and development of Community instruments and of initiatives that are not confined to the social sector but are also — and primarily — of importance to the economic and the industrial-co-operation fields.

We also consider that the underlying requirement for this approach to the problem is a strengthening of the practical and productive dialogue with and between the representatives of employers and workers in Europe, to which we intend to give priority precisely because we are convinced that it is an essential tool for determining and implementing effective courses of action.

There is another priority issue to which the Italian Presidency intends to give its full attention. We must seek to make more economic and competitive a number of activities whose expansion is considerably limited at the present time by the continuing fragmentation of national markets.

Significant progress towards greater integration of the European market is all the more important in the present situation, since the limited resources available will make it very difficult to achieve at Community level all the various types of industrial co-operation that might be desirable.

In March 1984 this Parliament declared itself in favour of a vigorous programme for strengthening the internal market, and in June the Commission itself submitted an ambitious work programme which identified a number of areas of action. I should like to remind you of some of these in particular: the reduction of frontier controls, the removal of technical obstacles to trade, standardization at European level, the establishment of a legal framework for co-operation between undertakings, and the free movement of services and economic operators.

In this context, it is necessary to make choices and to develop further those subjects which are sufficiently advanced to enable practical progress to be made, and thus show the general public that there is a real political desire to move towards a more intensive integration of the economies of the Member States.

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As part of the action aimed at giving Europe a coherent and coordinated economic strategy the Italian

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Presidency will give particular attention to the revival of monetary and financial cooperation.

The primary task is to strengthen the convergence of the Member States' economic policies along the lines indicated in a recent Commission report, inter alia by strengthening mechanisms for surveillance by Community bodies.

It is also necessary to move gradually towards greater liberalization of capital movements with the aim of bringing about greater integration of the European capital market, while being fully aware of the obstacles that still exist in certain Member States.

Finally, public and private use of the ECU must be encouraged.

These three courses of action form part of a broader plan to develop the European Monetary System and the process of financial integration.

We are also aware that in the near future we shall have to confront certain essential problems still impeding the achievement of progress in that direction: inclusion of the pound sterling and later of the drachma in the EMS exchange system, harmonization of fluctuation margins, elimination of obstacles to the free movement of the ECU on private markets and recognition of the ECU's status as a currency in all Member States.

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We believe it necessary to confirm the long-term joint commitment to meet the industrial and technological challenge of the future. With this in view, however, the Community must give greater weight and importance to new policies and, in particular, to those forms of collaboration aimed at development of the technologically advanced sectors.

The Commission has already demonstrated on several occasions its own intention of following such a path; we hope it continues on that course and above all we hope that the Member States too will display the necessary willingness to confront a problem which I consider essential to Europe's very credibility, that of the Community's commitment to industrial and technological collaboration.

I have already mentioned the fact that the limit on the budgetary resources available for 1985 will not make it possible in the short term to initiate new programmes in the field of industrial cooperation or the development of new policies. It would therefore be naïve or fanciful to believe it possible in the first half of this year to embark upon the definition of an organic Community industrial policy and launch important new sectoral programmes whose costs would have to be borne by the Community budget.

Accordingly, we must develop Community action in the complementary sectors and in sectors which provide support for the industrial cooperation policy. I refer, in fact, to the consolidation of the internal market, to the development of a legal framework which will encourage collaboration between undertakings and to the promotion of research and development.

There are also certain programmes in the field of new technology already being studied by Community bodies, which it will be necessary to continue studying in detail during the Italian Presidency. Of these I should like to mention in particular the cooperation programme in the telecommunications sector, that in biotechnology and, of course, all activities relating to informatics and their applications.

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As regards the common agricultural policy, the fixing of prices and related market measures for the 1985-1986 farming year will have to be carried out against an extremely difficult financial background. The Italian Presidency is aware of the limitations arising from the present budget situation and it intends to work in close collaboration with the Commission to ensure that Council decisions are adopted in a manner that is acceptable both politically and socially.

We shall also try to ensure that the examination of the common agricultural policy mechanisms already in progress with a view to its gradual revision is carried out as part of a fundamental process of rethinking which takes account of the present limits on production entailed by a policy of limiting expenditure, of the economic and social implications of that policy and of the prospects that may be opened up by new measures, bearing in mind technological development, the structural improvements to be carried out, the qualitative improvements to be sought and the changes that we hope it will be possible to make to the present commercial policy.

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In the field of environmental protection we will, on the basis of the guidelines issued by the European Council meeting in Dublin, give a special impetus to the continuation of the discussions in progress on subjects of major importance, bearing in mind the need for a joint commitment on the part of the Member States to deal with a problem which has already grown to supra-national proportions and which must be dealt with by means, among other things, of the instruments of international cooperation and also, of course, of common action.

Two problems are of particular urgency: lead in petrol and that of motorvehicle exhaust gases, on which common rules at European level must be adopted at

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the earliest opportunity. Those rules must take account of legitimate concern for the protection of the environment from atmospheric pollution, not forgetting the cancer aspect, and the need to prevent the proliferation of different national standards to the detriment of European market unity.

In the field of common transport policy too progress must be made. The transport sector, almost completely deadlocked, must be revitalized; in my opinion, its importance for the integration process has not been appreciated so far in practice.

We also feel that the problem of the increase in drug abuse and its social, economic and above all human implications now deserves greater attention at Community level as well.

We therefore believe it would be useful during our Presidency to convene, possibly in an informal context, a meeting of the Ministers responsible for drug problems in Community countries for a detailed discussion of the matter.

This is an initiative to which the Italian Government attaches particular importance because it aims at bringing about more coherent and effective international collaboration in the battle against the scourge of drug abuse.

We shall attempt to increase the awareness of our partners to this problem, convinced as they are, like us, that the Europe that we want to build must take ever greater account of the human and social aspects of its problems.

I should now like to pass to matters related to the enlargement of the Community and, in particular, to those concerning the conclusion of the negotiations for the accession of Spain and Portugal.

The outcome of the Dublin European Council, particularly as regards adjustment of the wine sector regulations, in which Italy showed great flexibility and a spirit of compromise, has certainly removed the most serious obstacles which could have continued to hold up the negotiations indefinitely.

It could be said that the discussions in Dublin paved the way for balanced solutions to the other problems still outstanding in the negotiations.

The remaining difficulties, which will have to be overcome if the negotiations are to be completed by the deadline, will require from both the Member States and the applicant countries a great effort and a political attitude capable of coming to terms with the essential points and leaving aside secondary and subsidiary matters.

There is no doubt that for some Mediterranean agricultural products the entry of Spain and Portugal

could cause surpluses as regards the Community market's capacity for absorption. For our part we will continue to make every effort, particularly while holding the Presidency, to ensure that fair solutions are adopted which will guarantee reasonable incomes for Mediterranean producers.

Our general objective must be to keep a close watch, at least in some sectors, on competing agricultural products, while at the same time trying to make the most sensible use of the possibilities of any new markets in a true spirit of cooperation.

During these six months we shall also have to approach another chapter of the negotiations which is very important to the economic and social circles concerned, both in the Member States and in the applicant countries. This importance is reflected in the distance which still separates the respective negotiating positions. I am referring to the fisheries sector. During our Presidency we will do everything in our power to find solutions which are acceptable to all the parties concerned.

It seems to be that as the negotiations continue, particularly in the agricultural sector, account must be taken, on the one hand, of the economic benefits which North European products (of which there are deficits in Spain and Portugal) will derive from the opening of new markets and, on the other hand, of the economic disadvantages which will inevitably result for Mediterranean products. To alleviate some of these disadvantages, at least partially, it will be necessary to resort to appropriate temporary measures, such as those contained in the Integrated Mediterranean Programmes.

In fact, it seems to us fair that provision should be made under these Programmes, on which the European Parliament has expressed a favourable Opinion, for measures to compensate those regions of the Community which will have to bear the greatest burden of the third enlargement of the Community.

It is certainly to be regretted that no decision has yet been taken on the Commission's proposals on the Integrated Mediterranean Programmes, even though the accession negotiations are now in the final stages. It is therefore the duty of the Presidency to ensure that this problem, the difficulty of which we fully appreciate, does not remain outstanding much longer.

For all these reasons, the Italian Presidency will make every possible effort to provide the right conditions for the successful conclusion of the accession negotiations during the early months of 1985.

We shall make a concerted effort to continue our earlier endeavours of recent years to encourage the enlargement of the Community to include the countries of the Iberian Peninsula, as part of a process to recreate Europe's historic dimensions, on the basis of

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which the Community can give the necessary impetus for further progress towards more intensive and significant forms of political and economic integration.

I would add that the enlargement of the Community will lead to further consideration of its relations with the Mediterranean countries.

I now wish to turn to the Community's external relations. The Community has now developed with the rest of the world a vast and intricate complex of agreements and arrangements. At the same time it has strengthened its own role as an international economic organization.

Many third countries are seeking cooperation with the Community and this should encourage us to consider more deeply both the political and the economic opportunities involved.

It is in the Community's interest to develop its external relations. We must, however, initiate within the Community a discussion on creating a more positive image for the Community, especially in the areas which most directly concern it.

I am referring in particular to relations with the Mediterranean countries, the ACP States and Latin America and, more generally, to the North-South Dialogue and the common commercial policy.

The Community is currently reconsidering its relations with the Mediterranean countries, which are asking for closer links with the Community. There is, however, some concern that the accession of Spain and Portugal could have negative repercussions.

The Italian Presidency considers that every effort should be made to encourage the development of relations with those countries, by strengthening the dialogue and, above all, by commitments (including financial commitments) to cooperation. Enlargement could provide an appropriate opportunity to make additions to the existing agreements, to reconcile the interests of the Community's present and future Member States with those of the Mediterranean countries, in both the medium and longer term.

As regards relations with the ACP States, which are an essential aspect of the North-South relationship, I must mention that the Italian Government made a decisive contribution to the success of the recent Lomé negotiations. We consider that it is particularly important to launch the new Convention in a climate of mutual trust which will pave the way for its success.

Regarding Latin America, you are aware of the importance which the Community attaches to strengthening its relations with Central America, with a view to contributing to the stability and development of that troubled area. This attitude on the part of the Community has already been demonstrated at the Minister-

ial meeting in San José, Costa Rica. The Presidency intends to carry out the Community's declared intentions and encourage the launching of negotiations for a framework agreement.

Relations with Latin America have not yet reached the level which should be theirs by right in view of the close historical, cultural and political connections between us. We consider that the time has come to reactivate the dialogue and give it a tangible content, thus paving the way for a more vital relationship.

As regards the ASEAN countries, we shall continue to reflect on ways of intensifying our relationships, possibly by a Ministerial meeting on economic topics.

We believe that the Community should do everything in its power to tackle the famine and the serious problems currently affecting various areas of Africa, in particular, Ethiopia and the Sahel countries.

As the country holding the Presidency, it is our intention, consistent with humanitarian commitment which the Italian Parliament has also called for on several occasions, to do our utmost to give effect to the decisions of the Dublin European Council which, as you are aware, recognized the urgent need for Community action in this field. Over and above the specific emergency aspect, however, we shall need to undertake the more wide-ranging task of ensuring better coordination of action between the Community, the Member States and other donors, in order to increase the effectiveness and step up the speed with which the emergency aid measures are put into effect.

Community relations with the Community's major trading partners and other industrialized countries represent a further area of interest to be followed closely during the first half of 1985.

I should like to point out that our relations with the United States are of central importance to the maintenance and development of an open international economic system. We intend to pursue the objective of genuine cooperation in the interests of both sides, with a view to finding a solution to existing trading problems. To this end, it may be useful to intensify both dialogue and consultations so that we may be better aware, and generate a better awareness, of our points of view and their underlying motivation.

Together with the EFTA countries we can view with satisfaction our achievement in establishing a free trade area and we think it desirable that our relations should be extended and deepened.

In the multilateral field there are prospects for a further round of negotiations designed to strengthen the framework of international trade. The Community will, as in the past, support any firm measures which will help to improve the multilateral system.

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The Italian Presidency will have to promote discussions to identify the framework in which such negotiations should take place — considerable importance being given to the part which the emerging countries propose playing — and also to define the objectives which it is intended to achieve and, thereby, the issues calling for negotiation.

To sum up, I do not think that I need waste words on affirming the growing importance of political cooperation among the Ten, a process on which — it can be said — there is a general consensus and which this Parliament approves and, indeed, rightly seeks to foster.

Italy will strive, therefore, to accomplish this side of its presidential responsibilities also, particularly since, at a time of change such as that which appears in many respects to have returned to the international scene as 1985 begins, it is vital that Europe should employ every means possible to make its presence felt, defend its own interests and affirm its own ideals and principles.

For a long time now we have been faced with the problem of ensuring more complete harmonization between the two aspects of our work, the truly Community work and that under political cooperation. The Italian Government has always striven in this direction, as is evident from the role played by us in the negotiations leading to the Solemn Declaration of Stuttgart. In our view, as is well known, we ought today to be in a position to proceed well beyond these results.

At this point, I think it timely to set forth, albeit briefly, the essentials of the main topics of international policy.

First of all, I should like to mention East-West relations.

The meeting in Geneva over the last few days between the American Secretary of State and the Soviet Foreign Minister is a complex event which we shall have to assess carefully and the follow-up to which will call for considerable work on the part of all concerned; however, as regards the overall issue of arms control and disarmament, we must say that this event seems to us as a positive sign. I make this point too following the statement made to us in Rome, in the wake of the Geneva meetings, by the American President's Special Adviser, Mr McFarlane, and further to those convergent impressions which have filtered through to us from the Government in Moscow.

During this new phase, the countries of the Community will be required to play a highly important back-up role, in addition to tabling proposals and examining in depth the fundamental interests which Europe must assert on behalf of the West as a whole,

in order that peace and dialogue may be based on as stable a balance as possible.

In this context, the importance of maintaining active contact with both the Soviet Union and the other Warsaw Pact countries should be emphasized. In particular, we intend to continue to keep a close and involved watch on internal events in Poland, which remains very much a highly heterogeneous and lively society among the countries of the Eastern bloc.

The CSCE process continues to play a central part in East-West relations, through the promotion of better relations between the participating countries and the full expression of the personalities of those countries' citizens. The Ten will have to continue to press consistently for the full implementation of all the arrangements agreed on in Helsinki and Madrid by all participating States without exception.

At the Stockholm Conference on confidence-and-security-building measures and disarmament in Europe (CDE), after a whole year of procedural shadow-boxing we are at last moving towards a point where the arguments will be tackled in a substantive manner. This is very important, particularly following the Soviet-America meetings in Geneva.

The Ten will be called upon to make a consistent contribution and to adopt common positions and initiatives within this Conference. Our intention is to strive to achieve a simple incisive contribution towards a negotiated agreement on specific measures, in order to increase confidence and security in Europe, as well as the reaffirmation of the pledge not to resort to force or the threat of force, which Italy regards as a significant political fact.

The Ten will, however, also need to work in other debating and negotiating fora on arms control and disarmament if concrete progress is to be achieved.

With regard to the prospects for a negotiated solution to the Arab-Israeli conflict, once the total stagnation of peace moves pending the outcome of elections in Israel and the United States have been overcome, pressure on the parties involved can and must be stepped up to foster at least the opening of talks and, thereby, to help to relieve the present tension in the region.

In a complex and delicate context such as that of today, the Ten need to act with caution but with perseverance, by proposing realistic targets which do not situate themselves over-ambitiously beyond the capabilities of the European Community.

I had the opportunity in Amman in the last few days to express these viewpoints not only from the Italian angle but also on behalf of the Presidency, on the basis of the Dublin document; I encountered the keen expectation on the part of those with whom I spoke, starting with King Hussein, that Europe would be

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ready to support any progress in the peace dialogue and to capitalize upon any glimmer of hope which might emerge.

The Ten can, moreover, boast a balanced and effective common platform in the form of the Venice Declaration and its subsequent updatings.

There is a precondition for transition from the present revival, following a long period of stagnation, to a real phase of activity; it is that the assured joining of ranks around Jordan must provide a true platform for negotiations between Jordan and the PLO, enabling Jordan to negotiate effectively on the occupied territories. This obviously presupposes willingness in principle on the Israeli side.

In the position of the new coalition government in Israel we have detected welcome signs of greater attention being paid to the problem of the Palestinians in the occupied territories.

It is clear that any action by the Ten must be linked to that of the United States, whose role is universally acknowledged as being, certainly not exclusive, but of prime importance to a solution of the Middle Eastern dispute.

We also attribute great importance to the role of the United Nations and to the commitment that has traditionally been shown by the Secretary-General. It is well known that we wish to see the United Nations far more involved in peace making or attempts at mediation in the Middle East; under the aegis of the UN such initiatives would be guaranteed to be balanced and should be acceptable all round.

Lastly, we cannot disregard the usefulness of suitable contacts with the Soviet Union which, because of traditional positions and the relationships that have been built up in the Middle East, cannot be excluded from any future overall settlement of the crisis. It is not particularly important to have a referendum for or against the conference mooted. What is important is to find a valid model acceptable to all sides.

Together with the Arab-Israeli conflict, the situation in the Lebanon and the Iran-Iraq war with its repercussions on the Gulf constitute an extremely complex background fraught with dangers and tensions and compounded by the undercurrents linking the three crises.

The Ten have frequently stressed, most recently in Dublin, the need for national reconciliation in Lebanon and the restoration of the territorial integrity and sovereignty of the State; in the same way, they have offered their full support for offers by various parties of mediation to bring an end to the war between Iran and Iraq.

Another area to which the Italian Presidency intends to pay attention is Latin America. There are three directions which this action should, if possible, take.

First of all there is the continuation, broadening and development of the political and economic dialogue with the countries of Central America, begun successfully at the San José Conference in Costa Rica last September, at which the Ten reiterated their full support for the peace attempts made in the region along the lines indicated by the initiative of the Contadora Group. We shall give close consideration to the possibility that during the Italian Presidency a second conference will be suggested in Rome, along the lines of the first, subject to establishment of the level at which it will be held.

Secondly, we shall continue our activities to promote respect for human and civil rights: we welcome the present trend towards the restoration of democratic régimes, and towards forms of dialogue between government and opposition, and hope that in this area we shall be acting in a climate of gradual improvement.

Lastly, we must continue to encourage the spread of democracy in Latin America, particularly in Chile, whose people pursue this aspiration so courageously. The resumption of a genuine political dialogue in Chile is vital to the re-establishment of freedom and democracy.

With the forthcoming return of Brazil to a civilian régime and the recent elections in Uruguay, democracy is to be found almost everywhere in South America. However, democracy requires political and economic support, as the history of these regions and present-day events show us that the threats to democratic régimes have not disappeared. Europe must give its own support and assistance.

Another sector of constant concern to the Ten is Africa.

In the case of Southern Africa, the Ten welcomed the outlines of a solution to the serious political problems of the region which emerged in the course of 1984. The Lusaka Agreement between South Africa and Angola on military disengagement in southern Angola should, in particular, help to create a climate of mutual trust, thus facilitating implementation of UN Security Council Resolution 435 on the independence of Namibia.

Equally, the Nkomati Agreement between South Africa and Mozambique should bring greater political stability to the region and help to bring about peace within Mozambique's own borders.

This does not mean, with regard to South Africa, that the Ten are softening their firm condemnation of the

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apartheid system, on which a number of half-hearted reforms have failed to make any significant impact.

There are more vast areas, such as the Horn of Africa, where humanitarian problems are bound up with severe tensions and conflicts that must be borne in mind when bringing pressure to bear on the parties concerned to persevere in the difficult quest for dialogue and political solutions, in accordance with the principles of both the United Nations and the Organization of African Unity.

On the Asian scene, the situation in Afghanistan continues to be a serious international problem. The Ten have on many occasions deplored the Soviet Union's unwillingness to make a positive contribution to a solution of the Afghanistan problem on the basis of successive UN Resolutions. The Soviet Union has, on the contrary, stepped up its military activity, causing further suffering and many civilian victims among the Afghan population. The Ten condemn these actions and continue to call for a just and lasting solution, as advocated in the Declaration approved on 27 December last year on the occasion of the fifth anniversary of the Soviet invasion.

Vietnam's occupation of Kampuchea continues to threaten the stability of South-East Asia.

We believe that any political solution to the problem must be based on the total withdrawal of Vietnamese troops, the right of the Kampuchean people to decide freely on their own future, respect for Kampuchea's independence, neutrality and non-alignment and a commitment by all States not to interfere in its internal affairs. Under these conditions, we believe that a peaceful solution can be found that will coincide with the legitimate security concerns of all the States of the region.

The Italian Presidency is committed to reinforcing the Ten's action in defence of human rights and against terrorism. On the fundamental subject of human rights, in addition to the traditional UN fora, special attention must be paid to the Conference on Human Rights to be held in Ottawa in April, which places this aspect high on the agenda for the development of the CSCE process.

With regard to terrorism, especially its new international dimension, the Ten have stepped up exchanges of views on measures to combat it, and have laid the foundations of closer co-operation on the matter, with particular reference to the abuse of diplomatic immunity for terrorist purposes. We hope to step up this form of co-operation further by more effective measures at international level.

In the light of the complexity of the international scene, the role that could usefully be played by a united Europe in the interests of peace and progress emerges clearly.

Because of its historical and cultural values, Europe is called upon to exercise a balancing influence on the international scene. The European Parliament, which forms part of the overall pattern by virtue of the power it derives from the popular vote, must be in a position to play a central role and this must be reflected in its rights of participation and its functions of control. We have as our basis an exceptional wealth of political and cultural experience which renders co-operation between our various political forces productive and which also enables this Parliament to carry on a lively dialogue from differing positions. Experience has shown quite clearly how important it is for differences in outlook not to be levelled out but instead to be examined side by side in the Community context and a middle ground sought that takes account of all values and responsibilities.

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I should like to end my speech with Alcide De Gasperi's call to us all to develop a sense of common responsibility. It is this sense of responsibility which animates our hopes in a better future and our conviction that the path we have chosen is the right one.

In the speech he gave to the ECSC Assembly the day he was elected President, Alcide De Gasperi stated that the task to be accomplished was extremely difficult since it involved renewing and transforming age-old habits and traditional interests. He concluded by saying:

Therefore, we need the pressure of public opinion, but the most reliable interpreter of public opinion is this Assembly. It is, therefore, evident that the parliamentary debates in the Assembly are the best means of lending strength, authority and direction to the executive body.

(Loud and prolonged applause)

President. — On behalf of the House I thank the President-in-Office of the Council for his very wide-ranging and detailed statement covering a large number of topics of concern to this House. Thank you, Mr President.

(Loud applause)

The debate on the statement of the President-in-Office of the Council of Ministers will begin this afternoon at 3 p.m.

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

IN THE CHAIR: MRS CASSANMAGNAGO
CERRETTI

Vice-President

Mr Balfe (S). — Madam President, I rise briefly to raise a point of order under Rule 20 of the Rules of Procedure, which deals with the duties of the Quaestors and says that they shall be responsible for administrative and financial matters. This week I received a communication from them on the subject of posters within this Parliament. I understand that the Council of Europe has refused to implement this instruction and there are pictures of oranges stuck around the entrance to the Hemicycle. This is in no way a personal attack on Mr Simpson, but I would like the Bureau to look into whether or not the Quaestors have the power to issue regulations concerning this building, which is, of course, the property of another institution.

President. — Mr Balfe, as you are well aware, this is not a matter for the House but for the Bureau. I shall therefore note your comments and transmit them to the Bureau.

8. *Topical and urgent debate (objections)*

President. — I have received under the second subparagraph of Rule 48(2) of the Rules of Procedure the following objections, presented in writing, together with reasons, against the list of topics drawn up for the topical and urgent debate tomorrow, 17 January 1985.

(The President read out the objections)¹

I would remind the House that the vote on these objections will be taken without debate.

After the vote on the objection of the European Democratic Group seeking to delete Point V ('human rights') motion for a resolution by Mr Falconer and others on the ban on free trade unions at the Cheltenham Centre (Doc. 2-1392/84)

Mr Falconer (S). — Madam President, first of all I would like some guidance from you as to what we are voting on. Are we voting first of all for the European Democrats' objection, which I can understand because they wish to oppose anything that even smells very slightly of democracy, or are we voting for the Socialist Group's proposal to put it higher on the list? As for those cattle and beasts on the right, I would remind them that it is they who have banned free and demo-

cratic trade unions' voice. And Sir Henry Plumb should not cackle rubbish, because he has the most members of GCHQ in his constituency. I hope this Assembly will throw his motion in a bucket, and will the Chair please advise us . . .

President. — Mr Falconer, I have first put to the vote the objection from the European Democratic Group. 21 Members had, in fact, requested a roll-call vote on this.

Mr C. Beazley (ED). — Madam President, on a point of order. I think you would agree that because of the way the last speaker made his points there was considerable uproar just before that vote was taken. There was considerable confusion throughout the House, and I do think that if we made it quite clear this would reflect credit on this House.

Lady Elles (ED). — Madam President, I wonder whether we could have a clarification, because I understood that the last vote we took in accordance with your statement was on the justification by the European Democratic Group for removing the resolution by Mr Falconer. According to the figures that you gave us, I understand that we, the European Democratic Group, lost that particular vote. Therefore, in accordance with my understanding of the procedures of this House, whether we like it or not, that Falconer resolution is before this House. There is, therefore, no further voting on that resolution. Could you therefore clarify what you are now asking us to vote on?

President. — Ladies and gentlemen, the objection by the Socialist Group calls for a separate debate on the Falconer motion for a resolution. I am, therefore, required to put it to the vote.

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After the vote on the objection by the Group of the European People's Party seeking to insert, at the end of the list, the motion for a resolution by Mr Debatisse and others, on behalf of that group, on the bad weather (Doc. 2-1422/84).

Mr von der Vring (S). — (DE) Madam President, we have held some votes here without knowing what we were voting on. Perhaps you could tell us now when the last item will be taken.

President. — Mr von der Vring, all the groups will have a complete list within fifteen minutes.

Mr Bocklet (PPE). — (DE) Madam President, we have now had a number of votes. It would be most

¹ See Minutes.

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helpful if we could know the order of the urgent debates tomorrow morning at once, so that any errors that may have crept in can be corrected immediately. That is why I ask you please to read out the text immediately.

President. — Mr Bocklet, I shall read out the document you have requested in fifteen minutes.

9. *Italian Presidency (continuation)*

Mr Didò (S). — (IT) Mr President, ladies and gentlemen, the Socialist Group will be looking to the Italian Presidency of the Community with much interest over the coming months.

We are well aware that it is an alternating Presidency upon which too many hopes and responsibilities cannot therefore be placed. Still, we are convinced that the pronounced European commitment always exhibited by the Italian people and the orientation of all the Italian political forces may find expression in a significant effort, by urging and interceding, to extricate the Community from the difficult situation in which it is placed and such as to give a further impulse to the process of integration. It was in this sense that we understood Mr Andreotti's speech.

This half-year opens at a time when the dialogue between the two super-powers is being resumed and presents a series of tasks which we may regard as being of historic importance from the point of view of the European Community.

In the first place we cannot fail to greet with satisfaction, albeit with a sense of realism, the resumption of the dialogue on disarmament between the USA and the USSR which this Parliament has always desired and advocated.

But the thawing of relations between East and West must not find Europe a mere spectator, playing a waiting rôle: it is for the Council of Ministers, in political co-operation, to make every effort to co-ordinate the foreign policy of the Member States so that Europe may play an active part with a view to encouraging a positive development of this dialogue which must lead to a progressive reduction of armaments in a framework of safety and security for all, respect for human rights and fundamental freedoms and independence for all peoples, which will firmly safeguard peace.

With this in mind Parliament has adopted various resolutions which we ask to have taken into consideration, whether they concern Afghanistan or Kampuchea, Chile or Central America, the Horn of Africa, South Africa or Poland.

It is important that on these problems the Community should speak with one voice as it did at the Stockholm

Conference and as it was able to do on Central America.

Special attention must be given to the problems of the Mediterranean area. The Italian Government was able to show great sensitivity as regards a situation of conflict from which a way out must be urgently sought: I am referring to the Middle East, where Europe can, without indulging in empty aspirations, and in concert with the other parties in question, make a contribution to attaining a just peace in the terms, moreover, already set out in the Venice Declaration.

We wish to call upon the Council of Ministers to take an initiative in this sphere.

The commitments with regard to specific North-South co-operation have a direct connexion with the concepts of peace and international solidarity. In this respect the Lomé III Convention is an outstanding example, whilst much greater attention should be paid to our initiative in respect of the struggle against hunger, account being taken above all of the recent important criticisms made by the Community Court of Auditors, to which we cannot fail to devote serious consideration.

In the course of this half-year there are two precise tasks to be performed of the utmost importance for the future of the Community: in the first place the conclusion, not later than the March Summit, of the Treaty for the accession of Spain and Portugal.

It is not necessary to expend many words on this event, which has always been broadly supported by this Parliament. Certain difficulties which arose have been overcome by a sense of responsibility on the part of the Member States, including Italy.

We recognize that other sensitive questions still have to be resolved.

We are confident that everything will be done by the Council and the Commission to enable the procedure to be completed within the period prescribed so that Spain and Portugal may at least be members of the Community from 1 January 1986.

The other task which we may regard as 'historic' is that set out by the Dublin Summit for June this year, when the European Council at Milan is to give its definitive view on the work of the Dooge Committee and thus to convene the 'inter-governmental conference' which is to draft a fresh Treaty for the creation of the European Union.

In the Socialist Group there are some who have certain hesitations and even anxieties and are thus against the objective of a supra-national Europe. But the great majority are convinced that the crisis in which the European Community has by now been floundering for some time is to a large extent due to the inade-

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quacy of its institutions, which include a Parliament deprived of genuine powers.

The majority of our Group considers that the proposal of a fresh Treaty, approved by this Parliament, is realistic and constitutes a serious and balanced basis to enable the EEC to perform a qualitative leap towards the European Union, which will not only enrich Europe as such, its political and cultural values, its economic and commercial strength and its social traditions, but will present the Member States themselves with the way and the means for further development of their own in every field.

That is why we hope that the Italian Presidency, with the support of Parliament, which will certainly be promptly given, and of the new Commission, will thoroughly commit itself so that, at the June Summit, a start may be made on the construction of the European Union by means of the convening of the Intergovernmental Conference with which we urge that Parliament itself be closely associated.

Amongst the first urgent problems that the Presidency of the Community and of the new Commission will have to face is that of the presentation to Parliament of a fresh preliminary draft budget for 1985, apart from the fixing of new agricultural prices.

Our Group voted almost unanimously for the rejection of the proposed budget because it covered only 10 months instead of 12. For us it is unacceptable to abandon the annual character of the budget because it would not only mean infringing a fundamental rule of the Treaty and setting out on an endless path of compromise, but because it is not merely questions of accountancy which are involved.

In fact since the financing of agricultural expenditure and of the British compensation was not clarified, that offered the possibility of a manoeuvre on non-compulsory expenditure and thus of a subsequent sacrifice of the financing of social and regional policies and of development through having to finance expenditure regarded as compulsory.

The Socialist Group certainly does not aim at complicating things but asks for the presentation as soon as possible of a genuine budget providing for revenue and expenditure for 12 months and with that in view trusts that the Commission will take an initiative of its own, with a document of its own, to launch a fresh procedure.

As regards budgetary discipline, the Socialist Group agrees with the idea of containment of budgetary expenditure and upholds the need to bring about in the long term a modification of the actual structure of the budget with an increase in non-compulsory expenditure as against compulsory expenditure.

In the short term we cannot accept the claim of the Council of Ministers to introduce a so-called 'budget-

ary discipline' which would amount to a real strangulation of any initiative and of any new policy, unilaterally imposed by the Council. On this point the Parliament, faced with a Council which has been unwilling to take account of its observations in this matter (despite the efforts of certain delegations, including primarily the Italian delegation), can only reject the Council's decisions — and our group agrees with this attitude. Our desire is therefore that the Italian Presidency should work to re-establish fair and balanced relations between the Community institutions, including the Parliament, which, above all where the budget is concerned, is an authority of equal rank with the Council.

As regards the CAP and the new agricultural prices, I do not intend here to repeat the principles on which we think the CAP should be reformed, which incidentally we must maintain and strengthen. We believe that in the determination of the new agricultural prices account should be taken of a four-fold relationship:

- (a) to guarantee an income to farmers, who are required to reduce production by means of the fixing of quotas;
- (b) how to obtain a fair price in the framework of a Community budget subjected to rigorous restraints;
- (c) how to obtain a fair price in the framework of containment of agricultural expenditure;
- (d) how to make the system of agricultural prices work in the framework of the provisional twelfths.

If the new budget were not to be quickly approved there is a risk that from May onwards prices could not be guaranteed. The monthly requirements of the EAGGF amount to ECU 1.6 thousand million, whereas a twelfth equals only 1.24 thousand million.

It is to be feared that the States will take to intervening directly, bringing about unacceptable national distortions.

Then there are problems raised by the need to reduce the non-commercial surpluses, such as at what cost and with which financial means.

How are the distortions in competition created by the VAT relief granted to the German farmers to be mitigated?

How is the second phase of the quota system for the production of milk to be implemented and how is the actual application of the Community rule to be guaranteed? How is it intended to deal with the harsh attitude adopted by the USA, which is threatening to abandon the rules of GATT as far as milk products are concerned?

Furthermore, how is it proposed finally to initiate a structural policy (particularly in the less-favoured

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regions) which will make it possible both to obtain an adequate income in acceptable conditions of production and to maintain production structures capable of meeting the essential requirement of the non-creation of surpluses?

Finally the extension of the Community to Spain and Portugal raises the difficult problem of the commercial relations existing between the EEC and the countries of the Mediterranean basin, regard being had to the fact that any breakdown in the system of production in those countries may have serious political consequences.

All these are questions to which we expect precise and specific answers from the Commission and the Council.

As regards the Integrated Mediterranean Programmes the Commission has put forward precise proposals, including the amount of financing, which we regard as valid and realistic, which Parliament has approved, and which are before the Council of Ministers. We demand that these proposals be finally approved and brought progressively into force.

Specific financing arrangements on the part of the Community and the States concerned are provided for: but it is absolutely necessary to guarantee a high degree of co-ordination between these arrangements by the implementation of the Integrated Mediterranean Programmes, which must be supplementary to the financing arrangements provided for by the structural funds already operating.

Mr President, so far I have referred to those political, economic and institutional subjects calling for immediate action, but we should like to stress that it is essential to place in the forefront of the Commission's pre-occupations, and of the Council's, the dramatic question of employment. That is a question which is becoming all the more serious because, in spite of the economic recovery, the unemployment statistics are showing a constant deterioration and above all the numbers of young people who are in danger of not being able to find work even in the long term are constantly on the increase.

It is clear that the credibility of the European Community is to a large extent at stake as regards the question of employment, and above all of youth employment.

For us socialists work is not only a means of securing an income, but is also the way in which one participates in social life. A person without work is on the side-lines, an outcast, a person apart who easily falls under the influence of drugs, crime and even, in certain situations, terrorism.

The distribution of income must come about by means of the distribution of work and not through measures

which are essentially of a welfare nature, which create dual societies, divided between those who can live from their own work and those compelled to live on welfare. It is just in this type of society, run according to criteria of the outworn hopes of neo-liberalism, that the new poor are born who, in too many industrialized countries, are making their appearance as a new and distressing reality.

We recognize that there are no easy solutions to the problem of unemployment and that it is necessary to tackle it with a blend of measures of an economic and of a social nature: of measures of active employment policy and permanent training; of redistribution of work and income; of support for the creation of new jobs and for the setting up of new businesses, especially of small and medium size.

In the economic and monetary field and in the sphere of industrial policy there are important questions to be faced, particularly as regards the co-ordination of national policies of that kind.

It is possible to set to work on a strengthening of the European Monetary System and to enlarge the part played in the private and public sectors by the ECU on the basis of an improvement of economic alignment between the Member States, regard being had, in addition, to the successes obtained in combating inflation.

In the drive to create an industrial market and the internal Community market, particular attention must be devoted to all those sectors of recent development (such as telecommunications, biotechnology and so on) in which the European dimension is a necessary condition for a presence on world markets. That must occur by strengthening co-operation between the Member States and between undertakings, by preserving the initiatives of less developed countries and thus by encouraging their integration on equal conditions.

The same campaigns for protection of the environment as are already essential on the supranational plane may offer new opportunities for employment.

My honourable friend, Mr Andreotti, rightly reminded us of the resolution of March 1984 in favour of a vigorous programme for the development of the internal Community market. We look forward to its being given the necessary consideration.

In the field of social policy we ask the Italian Presidency, as a matter of priority, to arrange for the Council of Ministers finally to adopt and put into effect the numerous resolutions presented and approved by the Commission and the European Parliament on all these matters so as to start defining a genuine European strategy against unemployment. By way of example may I recall some of the more recent:

The resolution on vocational training for the introduction of new information technologies;

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The resolutions on initiatives to combat unemployment in the case of women and young persons;

The resolution on the contribution of local initiatives to combating unemployment;

The motions for a resolution on the reduction and restructuring of working hours and on the reorganization of working time;

The development and improvement of the working of the European Social Fund so as to encourage not only vocational training but also the creation of fresh jobs and small businesses;

The Vredeling proposal for a directive on rights to information and consultation in undertakings with a complex structure and multi-nationals;

we demand its adoption in the form of the Commission's final draft, even if not fully satisfactory but which attempts are still being made in certain quarters to improve;

The proposal for a Fifth Directive on the reform of company law and the introduction of the right of worker-participation.

Still on the subject of the protection of workers' rights, the position of migrant workers, in view of the sensitivity and seriousness of their problems, merits a special mention.

I would call attention to the resolutions approved in June and November 1983 and not yet adopted by the Council; amongst other questions, these deal with the matter of schooling for emigrants' children and the right of franchise and candidature at local elections for nationals of the Member States.

The question of recognition of degrees and professional qualifications is one of special importance.

The problem of discussions between both sides of industry is extremely important. We think it is indispensable for such discussions to take place at all levels: at company, national and Community level, so as to tackle the complex problems of restructuring, technological innovation and employment by a quest for consensus and a policy of harmonization and negotiation between management and workforce.

It is inconceivable that UNICE should continue to refuse to meet the European Trade Union Confederation with a view to negotiating outline agreements or collective agreements of a Community nature, as proposed moreover by President Delors, on the more topical subjects in industrial relations.

The Socialist Group therefore invites the Italian Presidency to take all possible initiatives so that discussions between both sides of industry may get under way on a basis of negotiation at Community level as well.

Finally we have noted with particular interest those passages in the speech of the Minister, Mr Andreotti, on the commitments into which the Italian Presidency intends to enter in the campaign against drugs, against organized crime and against terrorism. These initiatives are in answer to our requests and in this connection our Group has also proposed that the European Parliament should set up specific committees of inquiry which may suggest the action to be taken to combat this modern barbarity. Mr President, we ask the Italian Presidency and the Council, and the new Commission as well, to act with courage and determination; the building of Europe so as to count for more in the world, for the sake of peace, the victory over underdevelopment and unemployment is a battle, a painful battle against sloth, consolidated interests, conservatism and corporatism of various kinds, against a misguided nationalistic spirit. Nevertheless, it is a battle worth waging and we shall wage it. If the Italian Presidency is to move on these lines, it will have our full support.

(Applause from the Socialist Group)

Mr Giavazzi (PPE). — *(IT)* Mr President, ladies and gentlemen, speaking on behalf of the Group of the European People's Party, I am delighted in the first place at the completeness, scope and political style of the statement by the President of the Council, together with the conviction with which he has affirmed the role of parliament, whilst setting the Community analysis suitably within the framework of the wider world context. That was indispensable — though, to have understood this fact, is a sign of great sensitivity — at a time such as the present, worrying yet also stimulating, when we want to look at not only the unfavourable signs for the Community. A worrying time, because of the undeniable stagnation in the process of integration, which reduces its effectiveness both politically and economically. And this, at a time when, on the one hand, especially because of the process of détente that began with the Geneva talks, the call for Europe and the need for Europe are accentuated; and on the other hand, the increasing pace of economic and social change and technological innovation makes it more difficult to protect the competitiveness of the countries of Europe — even allowing for a certain element of economic recovery — and the persistence of an intolerable level of unemployment means that steps to solve that problem can no longer be postponed. A stimulating time, because the general feeling that time is running out means that the almost unanimous diagnosis of what is needed must be followed by action that is clearly conceived, properly coordinated, and effective without undue delay.

In an undoubtedly complex situation it is obvious that the fixing of priorities must be done with the necessary realism, on the one hand, and on the other, having regard to the general circumstances. It is only, in fact, by taking a broader — and hence, more Community

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— view of the most urgent, burning problems and their solution that a balance can be achieved that will allow opposing, conflicting, potentially paralysing situations to be eliminated or at least compensated.

Partly because of the time allowed, my speech will cover only a few general concepts. Other members of the Group will deal with specific problems, in accordance with our Group's normal practice.

First of all, the building of Europe. Because of its ideological principles and historical tradition the European People's Party has always made its political activity a cornerstone, and the parliamentary Group of the European People's Party has based its action on this philosophy. And so, in accordance with that philosophy, it cannot even today scale down its open criticism of the fact that, despite the declarations of commitment from one summit to the next, from Stuttgart to Athens and from Fontainebleau to Dublin, decisive measures have still not been fully implemented. And we say this not in order to sound a note of useless pessimism, but to emphasize the absolute necessity, in the six months' term that is beginning, for us to take the decisive step towards European Union, giving the new draft treaty — which Parliament adopted by a large majority, and our Group adopted unanimously — the central, decisive role that it must have.

As part of this process of building Europe, Parliament's action — especially through the Political Affairs Committee — aimed at strengthening and extending its powers in accordance with the Treaties and the popular mandate that it has been given, should not be overlooked. One last, significant point — the appointment yesterday of the new Commission and the vote of confidence given to it, which has deep political significance, and is a clear indication to the Commission to play its part fully and without hesitation.

The statement made by the President of the Council, which we warmly welcome with a sense of confident expectation, give the impression that, at the Milan Summit, there will be no new delays in calling the intergovernmental conference and fixing its terms of reference.

It goes without saying that the reference that was rightly made to the importance of the work of the two committees set up at the Fontainebleau summit means — and this is likewise what we confidently expect — that their proposals will be followed up appropriately.

But, not unallied to that aim there is another, the aim of wide external political and economic action by the Community. We therefore support the expressed intention to intensify this line of action, both in the field of Community action proper and in the field of political cooperation, harmonizing the activities and taking account of the positions taken up on a number of occasions to this effect by Parliament; the purpose

being to increase the weight of 'Europe's response' to the intense demand for it, with a view to strengthening security and peace between peoples, in a democratic context and one of respect for human rights.

We now come to the question of overcoming the critical points, and the establishment of common policies. Our Group responsibly attempted to avoid the rejection of the budget, putting forward concrete proposals for overcoming the controversial points. But it is obvious that the massive vote rejecting the draft 1985 budget, to which our Group — equally responsibly — made its decisive contribution, has a political significance, the full weight of which must be taken into account. There is a need for a quick solution, but at the same time due consideration must be given to the reasons of principle that determined that vote. It was therefore with a feeling of full, complete satisfaction that we listened to what the President of the Council had to say regarding the principle of respecting the yearly character of the budget, and the determination not to neglect the search for any acceptable solution as part of a constructive dialogue between the institutions of the Community.

Our Group cannot, however, forego the assumption — as regards also the other problem of budgetary discipline — that the Community's budget shall be based on the principles of technical correctness, adequacy of resources and appropriateness to the achievement of the Community's aims always respecting the prerogatives of Parliament.

But crises can be overcome and can make action by the Community especially desirable, particularly in view of the multiplying effect which is inherent in joint action, as distinct from action by individual States. Such joint action, suitably applied, is a wise decision both economically and politically.

The speeding up, therefore, of the process of effective unification of the market, and the implementation of a common policy for transport and the infrastructures; the creation of a context of flexibility and a coherent legal framework for business; the unification of the capital market, in connection with the measures for strengthening the SME, and the increasingly widespread use of the ECU as part of a greater convergence of economies; the revision of the Common Agricultural Policy, not on punitive lines but in a manner that is sensitive to the needs of the agricultural world, and the importance of the balanced development of that sector; and, finally — whilst awaiting a fuller industrial policy, which is indispensable — a further stimulus to the joint programmes not only in the field of informatics — as has been done with the ESPRIT project — but also, at least, in the fields of telecommunications and biotechnology — all of these are spheres in which action by the Community is awaited and cannot be put off.

Effective action along these lines would also make a decisive contribution to the common commitment to

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tackle the problem of unemployment, which is still of prime importance both economically and socially, and cannot be any longer shelved.

This increased desirability of Community action, coupled with a sense of greater solidarity, will also lessen the problems inherent in the enlargement of the Community to include Spain and Portugal. We would emphasize, with satisfaction, the clear undertaking contained in the President of the Council's statement, that the accession of Spain and Portugal will be completed by the date planned; and we emphasize with equal satisfaction his reference to the necessary corrective and other structural measures, including implementation of the integrated Mediterranean programmes, which is dictated on the clear grounds of consistency, equity and Community solidarity.

Obviously, the reference to these problems does not set out to be, nor could it be, exhaustive. It is simply an indication of objectives towards which European society in the fullest sense of the word — a society to whose needs the President of the Council rightly referred on a number of occasions, notably in relation to environmental problems and the fight against drugs and terrorism, thus showing a commendable awareness of the needs of the moment — is undoubtedly ready to progress, so as to increase the level of Community action in relation to that of national action.

In this connection it seems to me that the spontaneous spread in the private use of the ECU provides significant, though not the sole, confirmation of this.

Mr President, ladies and gentlemen, when the identity of the Community was in the formation stage de Gasperi — if I, too, may be allowed to quote our common master — hoped that the Community would be a place where the wills of nations would come together and be made clear and would then unite, in synthesis, to form a greater whole. The need for this has never been greater. May I be allowed, in bringing my brief speech to a close, to express a wish that is at the same time a hope — the hope that, albeit within the limits that healthy realism imposes, the six-months period of office that is just beginning will enable us to take a step forward towards that goal.

Mr Prag (ED). — Madam President, I feel as if I am interrupting an all Italian occasion. However, we have no Italians in my group — which is surely a pity — and I am also very glad to have this opportunity to reply to the President-in-Office on behalf of the European Democratic Group.

My group noted with great interest that the President-in-Office put institutional reform in his speech — the institutional relaunching of the Community, as he called it — even before the need to get the 1985 budget adopted. Fundamentally, he is right. If the Community is not working properly, its operation is

held up or slowed down and the Community remains a political pigmy unable to make its real weight felt in world affairs.

Some may not consider that an inter-governmental conference is the way forward. My group welcomes the Italian Presidency's determination to call one and its recognition of the European Parliament's principal role in getting things moving in this field. The Dooge Committee, understandably, in its interim report, stressed the need to make a qualitative leap forward and to avoid abuse of the veto. However, let us also remember, Madam President, that the problem is less a plethora of vetos than a failure to vote at all. The Council of Ministers hardly ever votes except on the budget and where absolutely necessary, because of reason of time, on agriculture. A way must be found to get it back to voting and to the constructive threat that a vote will be taken actually puts on the Ministers.

I wonder whether a vote was ever actually taken, Madam President, or even threatened on the directive on the right of establishment for architects which has been blocked in the Council since 1967. It is hardly a matter of vital national interest, nevertheless.

On the powers of Parliament, my group has always said that the first requirement is for Parliament to use effectively the powers that it already has. It says that again today. However, equally, it warmly welcomes the pledge of the President-in-Office to do everything possible to improve the conciliation procedure. In the long run this Parliament is bound to acquire greater powers over legislation and I am convinced the path to that goal must lie through improvement of that procedure.

On the budget too, we warmly welcome the President-in-Office's affirmation of the need for annuality and the promise to try to bring the increase in own-resources forward to fill the gap this year.

On the question of the United Kingdom refund, we recall that to solve the imbalance for the United Kingdom by the development of common policies alone could take 10, 20 or even 30 years. That is a very long term indeed. Therefore, my group is very glad to hear it confirmed that the Italian Presidency will support the corrective mechanism which we all hope will one day die a natural death when a sensible broad balance of policies and expenditure has been achieved.

However, I must admit that I found suspiciously vague his statement that the Council of Ministers and Parliament, the two arms of the budgetary authority, are surely both aiming at rationalization and the avoidance of waste in order to free the resources to allot to the development of new policies. We warmly welcome rationalization and the avoidance of waste. Both are urgently necessary. However, even if waste is eliminated and everything is rationalized, that is not going to liberate very much in terms of the need for new pol-

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icies. Budgetary discipline must not mean the freezing of the Community at its present level.

Of the optimism and undoubted good intentions of the Presidency in economic matters, what can one say? I just hope that the Italian Presidency can do just half as much as Mr Andreotti says it will try to do in that short five and a half months of presidency.

His speech contained so many good and indeed excellent things: top priorities for measures to deal with unemployment, the improvement of industrial relations, the achievement of a real common market. We warmly welcome the priority to be given to easing frontier controls, eliminating technical barriers to trade, adopting European standards, defining a legal form to facilitate cooperation between firms. We in the European Democratic Group will do everything we can to help in achieving the free movement of services and the right of establishment in which we have a particular interest.

On agriculture; I liked Mr Andreotti's phrase about pursuing progressive and gradual reform and the containment of spending. That is exactly what this group has always demanded; no less and no more.

On environmental questions, which feature prominently in his speech; I remind the House that Conservatives have always led in environmental matters. The Clean Air Act in 1956 in the United Kingdom, before Greens were ever thought of anywhere, transformed the once blackened towns and cities of the United Kingdom.

In certain fields, those of lead in petrol and vehicle exhaust fumes, which the President-in-Office mentioned, and also in the field of emissions of sulphur dioxide and nitrogen oxides from power stations, which he did not mention, only Community action can be effective. We must surely, as Mr Andreotti said, avoid unilateral, national action to the detriment of the unity of the European market. Few things could be more welcome than his promise of an initiative to deal with the fearful human problem of drugs.

I am not going to deal with the question of enlargement. It has been dealt with frequently enough in this Parliament and the views of my group are sufficiently well known, except, perhaps, to say that I liked his general justification of the need to bring Spain and Portugal into the Community to give Europe back its historic dimension.

One could dwell on various points — on the need to continue to advance the cause of high technology industries in the Community, on the problems of the relations with the United States, which are now taking on major importance as European currencies are shaken to the core by the strength of the dollar caused largely, although not solely, by high United States interest rates. The Presidency is right to promise the

intensification of consultation and stronger presentation of our views. That is certainly the least that is needed.

Finally, let us remember that in spite of the complaints that come frequently from those of us who want to move faster towards the goal of European Union, that the achievements of the French and Irish Presidencies were very substantial indeed. We saw substantial progress on enlargement, agreement on a single customs document, agreement on a large biotechnology research programme following the Esprit programme in information technology, the conclusion of Lome III, the increase by 150% of Community aid to Africa for this year and, of course, the end of the annual painful battles over the United Kingdom's budgetary contribution.

Now we must make, as you said, the Community institutions work effectively and give the Community the political influence in the world to which its economic strength entitles it. My group warmly welcomes the determination of the Italian President to make progress on creating a real single market, a genuine common market, based on freedom and competitiveness and the development of new policies for industry and the reduction of unemployment.

We wish the Italian Presidency Godspeed and power to its elbow. It will most certainly need both of them.

IN THE CHAIR: MR DIDÒ

Vice-President

Mr Pajetta (COM). — *(IT)* Mr President, ladies and gentlemen, we have heard words spoken here that betell the existence of a deep crisis, and commitments made that can be considered with great interest. But can we be sure that there is full awareness of the crisis, of the need for a change of policy, for changes in the institutions? Past history, Mr Andreotti, as well as the budget situation, tell us that we must certainly not expect a miracle, but must start changing our methods of working; and that, for our part, we must guarantee our constructive yet at the same time insistent presence here.

A process of reflection must take place in this Parliament, with the participation of those whom this Parliament has elected. And, if we leave for the moment many other questions that still deserve subsequent consideration, we consider the problem of economic reconstruction and market integration to be of prime importance; and for this reason we think — as Mr Didò said a short time ago, and as you yourself have recognized — that first of all we must consider the problem of unemployment in its various aspects —

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vocational training, the conditions of immigrant workers, and particularly, working hours. We recall the significance throughout the world of the fight for the eight-hour day from the very beginnings of the workers' movement. And we do this in order that, in this present fight, we can find a unity of communist, socialist, democratic and peoples' parties, that we want to come about beneath the banner, and as the omen, of a new internationalism. In comrade Dido's speech on behalf of the Socialist Group I detected more than one position or one request that show that the possibility of convergence does exist, and that remind us of what we think can be done — which will have all our support.

As Mr Andreotti rightly reminded us, it is very important to re-open the possibility of a dialogue for the purpose of finding solutions to the great questions of disarmament and peace.

Where the dialogue between the great powers is concerned, we are firmly against those who think that the other countries should be regarded only as spectators or, at most, auxiliaries. This dialogue provides greater opportunity for national initiatives, and first of all, for a European directive. If I am not mistaken, the Pope said as much recently. Not just two voices, but a great many voices for peace. Mr Andreotti is certainly not a politician who does not know the value of initiatives, even by an individual country such as Italy, and may I be allowed to tell him that a degree of courage is necessary that has not so far been shown. And in my view, there has also been more than a little back-tracking, as well as ambiguities and evident timidity.

I will refer to two problems only. First, the Middle East, in which connection it was not decided to follow up the Venice Declaration in the logical way by asking King Hussein, the only person with whom the PLO might negotiate, to act as some kind of representative. Secondly, permit me to say, Mr Andreotti, that if once again we agree about the meeting in San José di Costa Rica and its usefulness for the support that was expressed for the initiative of the Contadora Group, we were on the other hand really amazed and very sorry indeed that on the 10th of this month the first Constituent Assembly of the Republic of Nicaragua was opened, and the first elected president installed. Only France sent a member of its own government, who went there together with all the Foreign Ministers of the Contadora Group and many others from Latin America, together with those from Sweden and Spain. Mr Andreotti, what did you do with regard to representation for the Ten? Forgetting to be represented as Italians may perhaps scandalize our national Parliament, but here in Strasbourg as well it certainly cannot be considered to augur very well for the credibility of the undertaking that was given — and not too openly at that — this morning.

I started my speech with a reference to our concern for the crisis in the Community. The meetings of Min-

isters have some times been marked by quarrels, spite, the shunting of responsibility, and have even reached the grotesque, as was the case with the attempt to put the blame for the failure of certain negotiations regarding the accession of Spain on the just demands of the Greek Prime Minister. It would be better if an effort were made to understand that one obstacle to enlargement, where for example Spain is concerned, lies in the pressure that is being exerted on that country to link the question of its accession to the Community to its agreement not to hold a referendum on the Atlantic Pact — a referendum that was one of the planks in the electoral platform of the party that today governs in Madrid.

These things should be remembered. But talking about them, at length, is not sufficient. We have to get concrete results, which we shall obtain if we have a new policy, and if we give the Community the chance to put it into effect. I have noted the declarations made by Mr Andreotti, and I reaffirm that, as far as we are concerned — and I think as far as Parliament as a whole is concerned — Parliament's vote on the Spinelli project must not be simply a platonic vote. The same applies with regard to Parliament's collaboration where the intergovernmental conference is concerned, which we support, and which can give really positive results, but only if Parliament, at every stage, both in the preparation and in the running of the conference itself, is given the role to which it is entitled.

But are we now going to tackle, less vaguely than has hitherto been the case, that problem which, as has been said in this Chamber, can no longer be shelved, the problem of the budget? Do we want to hand down to whoever will be responsible for the next six-months' term of office the question of the funds needed to implement a truly Community policy? How can we talk about problems, even — I say nothing about solutions — when we already know that there will be no resources to tackle them with? We have made and will make what contribution we can to the Community — and may I remind you that we do this as the party that has received the greatest number of votes for the European Parliament of any party that is here represented. But they were not votes simply for us. They were votes that we brought to Europe, and that we wish to add to those of the parties that believe in Europe; for all Europeans who ask us, as a Community, to work together to overcome the crisis with a policy of progress, freedom, social justice and, today, more than anything else, a policy of peace. When we speak of the independence of peoples, of development, peace and freedom, and when we speak of disarmament, we are addressing all those in authority in every continent. This must be — and I think it can be — not only the purpose of this party and this Group, but the purpose also of Parliament and the Community as a whole.

(Applause from the benches of the Communist and Allies Group)

Mr Romeo (L). — *(IT)* Mr President, on behalf of the Liberal and Democratic Group, and as an Italian member of this Assembly, as well as personally, I wish President Andreotti the greatest success at the start of this six-months' term of office of the Italian Presidency.

Italy is often considered to be the most favourable of the larger countries in the Community to the prospects of European Union, and this has given rise to great expectations in certain sectors of public opinion and the press; although, even in Italy, there are still on the other hand those that remember that our abstract declarations of being 'good Europeans' are not always matched by consistent behaviour where Community practice is concerned. Of course, the statement by Mr Andreotti that we have heard this morning, allows us to believe that the Italian Presidency will commit itself genuinely to the fight to build Europe. Six months are quite a short period, especially compared to the size of the problems that have to be tackled, but this realization should spur us all the more to use to best advantage what time we have available. There can be no deluding ourselves, in fact, that the force of things alone can achieve those results that political action does not succeed in achieving for itself. We know very well that, beside the forces that are fighting for Europe, there are others — no less powerful — that are working in the opposite direction; but, in the end, it will be the commitment of the political parties that will decide which of these opposing trends will in the end prevail.

Amongst the objectives listed by Mr Andreotti there were some which seem to us Liberals to deserve special attention; in the first place, there is the intention of the Italian government to see that at the June Summit the date is fixed for the Intergovernmental Conference on the Treaty for European Union, based on precise mandates from the individual governments. We consider especially important the reference to the draft Treaty that was adopted by this Assembly, and the proposal to include the European Parliament in the negotiations. Indeed, we should like Italian diplomacy to pursue this aim in a truly supranational spirit, aiming at a success that should above all be a success for Europe, and not simply — and not so much — a success for the government in Rome. We should, I think, be very grateful to Mr Andreotti if, so far as the necessary prudence allows, he could give Parliament some information on the progress and prospects of negotiations regarding the calling of the Conference; and information on the subject will help Parliament to form a more accurate political view of the current state of what we might call the European question.

We have already heard, with the greatest interest, what Mr Andreotti said regarding the criteria with which the Italian Presidency will try to overcome the dispute between the Council and Parliament regarding the 1985 budget.

Respect for the principle of budget annuality and the suggestion that the increase in VAT revenue should be brought forward seem to be acceptable starting points for a solution for restoring harmony between the various branches of the budget authority, without impairing the powers which the Treaties accord to Parliament in this field. In this connection it is important to remind public opinion of the fact that the increase in the Community's own resources does not constitute, as there is often a tendency to believe, a further burden on the taxpayer. Any initiative on these lines is designed, instead, to ensure the more profitable application of tax which is already paid within the framework of the national budgets.

This European Community, which some would like to present as a useless, costly, toy, has in reality at its disposal resources that are a minute fraction of the revenue of the individual Member States, yet it is faced with tasks of gigantic proportions. This is a point to be emphasized in relation also to the imminent accession of Spain and Portugal to the Community. The Liberals fully share the general satisfaction with this event, which is of great historical and civil significance, but they remind everyone that it is an event that must be achieved not only with abstract declarations of principle, but also with the allocation of adequate financial resources. This is something that especially those countries who will derive most economic advantage from enlargement must bear in mind, whilst it seems only fair that the Mediterranean countries should be helped to overcome the difficulties that the new Community of Twelve will cause them. Nor, if we except the regional interests, which are quite important, is the development of the internal market with adequate measures one of the aims which the Liberals regard as having highest priority. As Italians we would rather see the extension, to the frontiers between Italy and other countries of the Community, of the facilities already introduced at the frontiers between France, Germany and the Benelux countries.

Many points in his speech deserve fuller treatment, and they are of great interest to the Liberals, especially the emphasis he gave to the employment question, which is a problem that has to be solved whilst still respecting the economic compatibilities and requirements posed by a resumption of growth based on efficiency and rationality in production. For this reason the appeal on the one hand for cooperation between both sides of industry and, on the other, the development of new technology, is something that the Liberals fully support.

Mr President of the Council, your statement has highlighted, to Parliament, the number and size of the problems that await the Council of which you will be President for the next six months. We should feel satisfied if, in this period, substantial progress could be made towards the solution of some of these problems, especially those that we have indicated. But the failures that have occurred, and that so often are repeated

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in the European Summits, will recur in the future if, despite everything else, we do not succeed in creating a really efficient political power that is able to guide European life towards common objectives.

Mr Flanagan (RDE). — Mr President, before I deal with the subject under debate, could I explain to you why I consider that on every Wednesday, when the House is full for discussion on matters concerning motions for urgency, the sitting should be suspended for approximately 10 minutes in order that those who wish to leave to do other work should be enabled to do so and that whoever the speaker is, he should not have to try to contend with the battle that goes on here for the ensuing 10 minutes or so. I sympathize with you who had to speak at that time and I would hope that as a matter of courtesy to us all, in future the House will suspend proceedings until the volubility of the French and British in particular has died down.

There is not really a great deal of difference, Mr President, between the attitudes of the various parties in this House over the issues on which think we are all agreed. I join with all the others who have wished President Andreotti well in the difficult task that he has ahead of him over the next six months. As he said, institutional matters, the presentation of a budget, and the conclusion of negotiations for the entry of Spain and Portugal must be the priorities, as they are with us as well.

In regard to the budget, I would say that while I compliment Minister O'Keefe on the very hard work he did during the Irish Presidency, I was not happy with his attitude here last month when Parliament rejected the budget. He said in a very terse reply to the debate that we had created this mess and therefore it was up to us to take whatever steps were necessary to get ourselves out of it. I reject that. The mess was created by the Council of Ministers and not by the Members of this Parliament. Literally only a handful of Members of this House, from all sides, had voted in favour of the budget and even among the non-inscribed Members there were only one or two who thought that the attitude and the presentation and behaviour of the Council of Ministers was appropriate. I agree with so many other speakers who said that if we are to progress, if we are to have an expanded Community, if we are to revive a regional policy which appears to have been forgotten and abandoned, then we do need more funds. And if the Council of Ministers cannot agree to increase VAT resources to 1.6, 1.8 or whatever, then perhaps the only thing we can do is, in each Member State of the existing Community, to go to the people and have a Euro-referendum and ask the people of each of the countries concerned if they would approve of an increase in resources for the Community for the purposes for which the Community exists.

We simply cannot go on the way we have done so far, and I hope that during your period of office, Mr

President, we shall have not merely a budget but also, as desired by all sides here, a much clearer view of the way forward for the Community as a whole.

Perhaps such a Euro-referendum and a favourable decision by the peoples of Europe would also confirm their intention that the Council of Ministers should begin to revise its attitude and, among other things, cease using the presidency as an occasion or an instrument for national political praise in the latter's own country.

In that connection, I should like to say that while I do not approve and have never approved of the attitude of the British, particularly, over the rebate, which has caused so much delay and time-wasting in our Community, I do not blame them solely by any means for the fact that the Council of Ministers has now become an ineffectual body. That fact is the fundamental challenge with the Italian Presidency now faces, and not, as Mr Giavazzi said, the practice of announcing high-sounding principles without taking any concrete practical decisions. For that, Sir, is what has been happening in the periods of office of too many of your predecessors.

So, therefore, we need a budget, we need more money; and you will have, of course, a special interest in an integrated Mediterranean policy, just as we have an interest in reviving an effective regional policy. You cannot do any of those things without the necessary funds. Therefore, if the Council cannot rapidly agree on an increase in resources for the purposes on which we are mostly agreed — we are certainly agreed in principle, though not in detail — then perhaps the time has come to hold a referendum in all our countries to decide where we are going, or if we are going to go forward at all.

I have great hopes that under the new Commission President, Mr Delors, and his team, there will be an intensification of that identity of feeling between the Members of Parliament and the Commission which has become apparent over the past few years, and that, even though we do not have the executive power, reliance by the Commission on Parliament and vice versa will persuade you, Sir, and your colleagues in the Council of Ministers that the time has come for action rather than words in all the fields of which we have spoken.

The chairman of our group, Mr de la Malène, has tabled an oral question which highlights the need to go forward in the creation of a European internal market. It seems to me clear that if that is not done, then we cannot go forward, and no pious exhortations will be of any use. We must create in Europe an enormous internal market freed of restraints and through that create the jobs that are necessary to achieve the objectives of which you, Mr President, spoke so eloquently this morning. Unless we do that we shall be going, not forwards but backwards.

Flanagan

I reiterate my wish that the coming six months will be productive for Europe, which badly needs to build on the little progress that has already been made, and it cannot do so unless there is determination by everybody concerned to achieve that end.

Mr Bøgh (ARC). — (*DA*) Mr President, Members of the European Parliament are really not much wiser for having listened to the speech of the President-in-Office of the Council. And I think we Danes in particular were disappointed that nothing was disclosed about the talks on Union, over which Denmark is in serious difficulties according to today's newspapers. We learn that the Danish chief negotiator in the Dooge Committee is under pressure. Our pro-Union foreign minister is currently making public pronouncements here and there on the arraignment against Denmark of powerful European forces. What kind of cooperation is it in which pressure on a small country is so strong that its foreign minister has to set aside a resolution of its national assembly calling on Denmark to reject political union? What is it that makes him now plead with, now threaten a recalcitrant population to make them abandon their hesitation and willingly embrace a plan for Union?

It was disappointing that the President-in-Office, in this situation in which a small Member State feels pressured, did not lift the veil from the discussions. We must know where each of us stands, and who is exerting pressure on whom. On the other hand, there can be no doubt where Denmark stands. We know full well from opinion polls that 90% of the people of our country are irrevocably opposed to union. They favour what the President-in-Office called a 'minimalist' policy on political integration, ie a policy of the kind that characterizes a free trade area and no more than that. In his speech the President-in-Office expressed the view that European Union could make a significant contribution to the solution of key international problems. He mentioned pretty well all the world's conflicts, including the North-South tension, as areas in which the Community could play the role of a peacemaker. The results in this field have not been particularly inspiring so far, and it is hard to see how ten states which have difficulty cooperating in an economic organization would find the unity and strength to solve other people's problems, just because these ten countries are forced together into a political union.

Surely what the President-in-Office rather condescendingly calls a 'minimalist' policy — in other words a free trade area between independent partners — would be a good deal more effective in promoting peace than the attempt to create yet another superpower in the world.

Mr Almirante (DR). — (*IT*) Mr Andreotti, I wish you a good six-months' Italian Presidency, with the hope, which we express for you and for ourselves, that

it will not turn out to be colourless, unstimulating and without piquancy, but will instead be six months of the utmost commitment, a decisive six months for Europe.

I have to ask you to excuse me, Mr Andreotti, because, in observance of our fair but miserly Rules of Procedure, I can only speak for a very few minutes in reply to your own vast speech. I shall limit myself, therefore, to a number of critical and, I hope stimulating, observations.

I quite expected your opening and closing references to the Europe of De Gasperi and the other Founding Fathers. May I remind you that we were there as well — the MSI — in the Italian Parliament of the '50s, and there were five of us then as there are now, but it was five out of five hundred and fifty, and not out of eighty-one Italian delegates as there are now, and we suffered discrimination, and we were on our own, whereas now I have the great honour and comfort of speaking also on behalf of our French colleagues in the Front National, and my colleague of the Greek Right.

There are once again five of us, but we are not alone, we have gone forward with the consensus and we have not changed our basic behaviour. At that time, in opposition and alone, we voted in favour of the European, Western legislative measures for which De Gasperi was fighting; whereas the United Left remained aloof, and voted against, so much so that our representatives entered this Chamber quite some time before the entry of the groups of the Italian Left. Today, strengthened in numbers and no longer alone, we are available, Mr Andreotti, to give concrete support to the steps necessary to enable the building of Europe to progress.

But what steps are we talking about? You, Mr Andreotti, in your usual cautious way, referred to 'small steps'. In our opinion it is not a question of choosing between small and large steps, but between steps forward and steps backward.

In your statement there is something that makes us fear that — God forbid — it may be a question of steps backward, because you seemed to us too prudent, indeed reticent, when you said within six months it is the intention to call — but for when? — an inter-governmental conference to hold negotiations on the question of European Union.

Negotiations, Mr Andreotti? Towards the end of its last span of office, this European Parliament adopted the Spinelli Draft Treaty for European Union. And we, who are of a very different political hue from that of Mr Spinelli, voted in favour. I will read you, in this connection, what was recently written in an Italian newspaper of the Left by an illustrious Italian member of this Parliament, who is also of a very different political hue from us. I refer to Mr Ippolito, and should be glad if you would listen:

Almirante

'As we know, under the provisions of the Draft Treaty for European Union, that Union can be set up provided at least six countries, who must represent at least two thirds of the European population, are in agreement. Well then, it is up to Italy, without any diplomatic shamming and without any ambiguity, to put the question clearly to the other nine partners, asking them who is for and who against. If there is the necessary qualified majority of countries and population, then we go ahead. Those countries who do not wish to participate can remain outside the Union, as associates, without clipping the wings of those who wish to fly.'

We, Mr Andreotti, feel exactly the same way, not least because, unless we build a united Europe, the fate of the world and, most importantly, of Europe, will remain solely in the hands of the uncertain, albeit promising, East-West dialogue. So long as we remain outside or on the threshold, we run the risk of having a new Yalta, disastrous for the whole of Europe; and, worse still, the risk that some mad general, on one side or the other — let us be frank enough to say so — will let off a missile, as has already happened, albeit half as a joke, without knowing, or perhaps being able to control, in which direction it will fly, or where it will land.

Nor is the problem only a military one because, until the problem in military and diplomatic terms finds a solution, Europe will see its present army of 13 million unemployed continue to grow, and will not be able to spend on jobs and peace what it will be obliged to spend for its own security.

We consider your statements on the accession of Spain and Portugal to the Community to be hardly satisfactory, Mr Andreotti, because you either could not or would not give concrete assurances regarding those integrated Mediterranean programmes, on whose implementation the painless entry of Spain and Portugal into the European Community largely depends.

As far as we Italians are concerned, if my French and Greek colleagues will allow me to say so, I mean above all the vital 'integrated Naples operation', for which we do not know any longer whether there is the money available.

We also consider unsatisfactory what you have to say, Mr Andreotti, on the fight against the drug traffic. You have only to read today's edition of *Le Figaro* to realise, with all the facts and figures supplied, that the problem is one of extreme gravity in France and Italy, and in the United States of America.

Your references to the fight against terrorism are also unsatisfactory, and that is more serious still. You said, Mr Andreotti, that there is 'abuse of diplomatic immunity' to the advantage of the terrorists. We say to you, here in France — and this is something for which the French socialist government is responsible, not the

courts — that the right of asylum at the present time shelters about 300 fugitive Italian terrorists, headed by the notorious Toni Negri, who continue to receive journalists, give interviews, and, probably, keep in touch with their comrades who are acting in Italy in the way they are.

Your attitude in this connection worries us, Mr Andreotti, because you have not failed to present, as is your custom, the PLO as a force with which the Mediterranean countries should negotiate, forgetting that there is a judicial inquiry in Italy into the activities of the head of the PLO, Arafat, with regard to the traffic in arms and explosives carried on by the PLO.

And there is another reference, Mr Andreotti, which you might have spared yourself: I mean Ethiopia. Not because people living under the shadow of death should be left to take care of themselves, but because at the present time there is a serious argument going on in Italy regarding money and food that ought to be going to help the desperate people of Ethiopia, and are instead being used to allow the communist Ethiopian government to purchase aircraft — the G222 — suitable for use in the war of extermination that is going on against the free Eritrean people. This, then, Mr Andreotti, is our position. We have always fought, and we shall continue to fight, for a united Europe. We do not believe you can be good Italians, or good Frenchmen, or good Greeks, unless you are first of all good Europeans. But civilized people in Europe are oppressed by a heavy cloud of scepticism: they no longer believe in this, and speeches about small steps, or speeches full of ambiguity, which could conceal a tolerance of anti-European or even downright barbarous forces, or complicity with them, leave us perplexed.

Every possible contribution on our part, from all our group, is available for the attempt to build Europe. But the Italian six-months' period of office, Mr Andreotti, must put Italy at the head — and not, once again, at the tail — of the process of uniting Europe.

Mr Pannella (NI). — *(IT)* Mr President, the time at my disposal is hardly of massive proportions, but I shall endeavour to use it to best advantage.

May I be allowed, Mr President, Mr President-in-Office of the Council, to address a few words to Commissioner Varfis and the Commission. After the statement that we heard this morning, I should recommend an urgent call to Brussels — if the Commission should happen to be meeting — to inform immediately the Commission and President Delors, following the statement by the President of the Council, that they have got all their analyses wrong. In a few hours we have seen the new President of the Commission speaking like an old President of the Council, and the President of the Council speaking like a new President of the Commission — or, at least, like we would have wished the new President of the Commission to speak.

Pannella

We said yesterday to our friend, President Delors, that there are times when to dare is prudent and, conversely, to spend time contemplating the difficult equilibrating aspects of the situation in which one finds oneself is one way to lose one's equilibrium *vis-à-vis* the realities which others are about to influence.

That has happened today thanks to the President-in-Office of the Council, and I am certainly happy, Mr President, to say this, since, in our own country, our political positions are in loyal but firm opposition to one another. I am very happy that we Radicals have been given the opportunity here to show our radically western way of understanding the foreign policy problems of a country and of the Community. I think that, for the moment, Mr President of the Council, for the words that you have spoken you have earned our commendation, because words can fly, but can also take tangible form; and these are words that have been long awaited.

The tribute to Parliament, in the form in which it was delivered, was not only of a ritual nature. The undertakings that you gave, Mr President of the Council, are undertakings — I believe — that were also semantically well expressed. We have understood quite clearly: Parliament must take part in the activities of the Dooge Committee, and must take part, as it is fully entitled to, in the process of shaping the final will of the Community in regard to the new treaty. The opinions that have been expressed here are very clear verdicts on the inadequacy of the Treaties of Rome, whereas the President of the Commission saw fit yet again yesterday to say that prudence demanded instead that we should continue for the next few years to announce the defence of the 'true' truth, the non-historical truth of the Treaties of Rome.

We have understood quite clearly, Mr President, and we take good note — because we hope that all this will have a sequel. You also recalled, and Mr Romeo and other members clearly emphasized them, the terms of the conflict that has begun, and I have to say that the Council of Ministers has done itself honour today with its words, because recognizing one's own mistakes is the action of one who is aware of his own strength. The tribute that the institution of the Council of Ministers paid today to Parliament, regarding a serious conflict, shows that the Council of Ministers and its President are aware of the strength of our own institution, which has too long been considered a dead weight and, indeed, as a reactionary force where the federalist process, or process of unification, is concerned. Instead, we have been able to see today that the choice is different. We have taken good note also of the constant reference to the Treaty, of which the other nine partners are reminded.

Now we have to work with a will, and we who know, Mr President of the Council, your capacity for work, your tenacity and — sometimes — your obstinacy when you decide to do something, have perhaps heard

today good news also for Italy. Instead of finding you continuously in the Middle East or other places, if you wish — as you surely will — to get on with the programme that you have outlined to us today you will be more and more constantly committed in Europe, because diplomatic action, to and fro, will be essential. You must keep up the pressure — day after day, in a difficult process of stitching together and weaving — on the governments that carry most weight, and so you will probably endeavour to ensure that the gesture of President Mitterrand, who visited this Parliament, will bear fruit.

My time is about to run out. I should like only to note, Mr President of the Council, the omission of any reference to North-South problems and the commitment against the holocaust, the extermination by hunger throughout the world. I think we have the right, the legitimate hope, to expect you, when you reply, to confess to a moment of distraction, because on this also Parliament and the Council could probably, in the next few months, create the basis for that common policy of cooperation and development for which the need is felt, instead of continuing with the failure of ten development policies. plus one, that has been typical of these years.

Thank you, Mr President, and all good wishes to the Council in its work and also to the Commission which now, as I have said, must bravely review the wrong analyses that it presented to us yesterday.

Mrs Castle (S). — Mr President, I congratulate the President-in-Office of the Council on assuming his high office, but I also wish to offer him my sympathy. He takes over the leadership of a Community in considerable disarray with unemployment, as he told us, already at appallingly high levels and set to go on rising steadily, with no money for an industrial policy and without even a budget with which to tackle the problems that face us. We start 1985 with the Council and Parliament at loggerheads and without the Council even being able to produce a budget to cover the anticipated needs of the coming year — a remarkable demonstration of budgetary discipline!

We all know that at the heart of this budgetary problem lies the Community's failure to adapt the Common Agricultural Policy to today's realities. We in the Socialist Group fought the European elections on the need for a renovated Common Agricultural Policy and in our joint manifesto we wrote:

The major principles which were supposed to govern the CAP are less and less respected nowadays. The imbalances and inequalities have grown to such an extent that they have become intolerable.

So we called for measures to eliminate surpluses, for controls on milk production, for an end to unlimited price guarantees, more help for small and medium-

Castle

sized producers and for southern producers against northern ones, and for a fair deal for agricultural workers. Not least, we urged that the interests of the consumers must be considered equally with those of the producers, for we in the Socialist Group believe that consumers too are part of the European Community.

Now our manifesto was written in March 1984 and in the same month the Council of Agricultural Ministers agreed on a series of measures which were widely hailed as a breakthrough in the reform of the CAP: milk quotas with superlevies to be paid by those who exceed their quotas; the tightening up of guarantee thresholds for cereals with the warning that every 1% increase in production over the threshold would be penalized by a 1% cut in the price this year. Despite these measures, the basic problems of the CAP and therefore of the Community remain unsolved.

Milk production is down a little. But the butter mountain still stands around the 1 million tonne mark. The beef mountain is at an all-time high level of 600 000 tonnes while the surplus of cereals is bursting our granaries. And to those who say 'Ah, but that is all due to the good summer we have had', I reply 'Read the Commission's latest report on the agricultural situation in the Community'. In it the Commission estimates that on present trends, farm surpluses will continue to grow until 1990 and that by the end of this decade we shall still be overproducing 10 out of the 12 principal farm products grown in the Community. Despite the introduction of the superlevy, the Commission report points out: 'Surpluses of dairy products are expected to remain high with milk output exceeding consumption by 11 million tonnes'. The cereals surplus is forecast at 33 million tonnes a year, wine at 3 000 million litres, sugar at 1.5 million tonnes and beef at 200 000 tonnes. Far from the situation getting better, it is getting worse.

How can we solve the Community's problems when we find that the CAP's share of the budget jumped from 60.6% in 1983 to 72% in 1984? And the final outturn may be worse than that. There can be no doubt where the cause of our budgetary problem lies? And the real way to establish the credibility of the Community is, I suggest, obvious. As the Commission points out, we simply cannot afford to relax our efforts to rationalize production and cut surpluses and this is the ideal year in which to press ahead with our reforms for, despite the introduction of production controls last year, average farm incomes rose by 3.8% although, I admit, there were some big discrepancies. But this is the last moment to relax our efforts. There must be no weakening of the decisions taken last spring.

And yet the Council of Agriculture Ministers is showing a marked reluctance to bite on the bullet of its own policies. We all know that the milk quotas have been exceeded in a number of countries. And yet nobody

has paid the superlevy yet. Is anybody ever going to pay it? I don't know. At their meeting earlier this week the Agriculture Ministers, after a lot of talking about how tough they were going to get with the backsliders, decided...! They referred the matter back to a committee. Not a very convincing way of establishing credibility. The suspicion must grow that once again the Council of Ministers is going to link the enforcement of financial penalties with the price review. Now that is an old device to fine farmers for over-production and then give them more money to pay the fine. According to reports, this is what Mr Kiechle, the Federal German Agriculture Minister, is demanding this year at this moment in the case of cereals. Yet the cereals surplus is rapidly becoming one of the major scandals of the CAP. The cereals harvest for 1984 amounted to a stupendous 150 million tonnes, i.e. 20 million tonnes above the previous record figure, and about 10 times the average annual increase over the last 10 years. It is certainly more than 5% above the guarantee threshold. In fact, it is nearer 8% above it. So, if our agreed policies are to have any meaning at all there should be a price cut for cereals this year of 8% in accordance with the agreement reached last spring.

I gather that the British Minister for Agriculture, Mr Joplin, has said he wants the cereals price cut by 5% this year. But, by 5% of what cereal price? One which is fixed so high that there will in effect be no cut at all? If we really mean business about reforming the Community we must insist on an actual price cut for cereals of at least 5% this year. Do not let us say that cereal farmers cannot afford it. According to a remarkable report in today's *Financial Times* the incomes of cereal growers in the United Kingdom increased by 10% in real terms last year and by the incredible figure of 50% in real terms over the past seven years. What other group of workers can boast a 50% increase in their incomes in real terms over the past seven years? Certainly not the agricultural workers.

Of course the small cereal farmers in the Community have not benefited to the same extent. But a price increase which helped them would bring intolerably high profits to the big farmers. So we must find other ways to help the small farmers, whether they are in cereals, dairying or anything else. Such as, for example, direct income aids. It is time the Commission and Council plucked up their courage and faced this fact. Higher prices will not solve anything. They will merely sharpen the budgetary crisis on which the Community has impaled itself. As long as surpluses continue, price freezes and price cuts must be the order of the day. So 1985 will indeed be a testing time. Will the Council of Ministers have the political will to carry out the policies it knows are necessary? This is what matters. Not grandiose talk about European Union and creation of a supranational authority to which so many of us are totally opposed. Only by action now in the context of its present powers can the Community restore its credibility.

IN THE CHAIR: MR FANTI

Vice-President

Mr Croux (PPE). — (NL) Mr President, the Group of the European People's Party very much welcomes the statement made by the President-in-Office of the Council, in which he said he would do his utmost to ensure that by June at the latest a date was fixed for the intergovernmental conference proposed by the Dooge or Spaak II Committee in its interim report for the negotiation of a Treaty on the European Union.

In the short time available to me I should like to say the following. Mr Delors's statement yesterday was chiefly a *discours de la méthode*, as the press put it. It is fairly clear what we need to do, but we do not know how to do it. As regards the method, I would say that two important questions must now be answered: when and by whom must the initiative be taken? What the President-in-Office said about this was very important. The answer to the question 'when' is 'now', during the Italian Presidency. No later than June you intend to persuade your counterparts to attend an intergovernmental conference. We really believe that the time is ripe, that everyone knows something has to be done to improve the functioning of the institutions.

The second question is: who is going to have to do it? Will the President-in-Office be able to persuade the Ten to hold an intergovernmental conference? That is the big question. We are convinced that initially it is unlikely to be possible, that it will be found that a significant majority want to press ahead, but that two or three are reluctant, and it will then be a question of making progress despite them. I believe that enough voices have been raised in France, the Federal Republic of Germany, the Benelux countries and even Italy for it to be said that we must indeed press ahead, and we are convinced that we must do so with such cogency and determination that those who hesitate are faced with a problem and will ask themselves whether they can take the risk of standing still. We shall thus set something in motion that signifies progress for this our Europe.

We therefore hope that the President-in-Office of the Council will be able to persuade his counterparts in all the Member States, including those which have traditionally had great faith in Europe, to overcome and abandon their opposition, because — and I reaffirm this on behalf of my group — we believe that, if the national governments fail to make more of Europe, their peoples will suffocate and there will be no future for us. We are counting on you, Mr Andreotti.

Mr Toksvig (ED). — (DA) Mr President, I should like to thank the President-in-Office of the Council for staying here for the whole debate. That was something of a rarity during the previous presidency.

The speech of the President-in-Office was decidedly a *tour d'horizon*. The only places he did not touch upon within that global horizon, as far as I could determine, were the Fiji Islands and the polar regions, but then that is not where the really important problems are. We are deeply indebted to him for a speech which obligates the Council in two ways: on the one hand, to take the democratically elected European Parliament for what is is, an element which, he said, had a genuinely popular character — and I am happy to hear that — and, on the other hand, to cooperate with us over the next six months.

On behalf of the Danish conservatives, I attach great importance to the recognition of Parliament's character as a genuine, representative assembly of the people of Europe, regardless of its mode of election. But I should like to say at the outset that, if the Council takes the same view and endorses the positive attitude of the President-in-Office towards this Assembly, it would be a correct and forward-looking gesture for the Council to invite Parliament to send a fully accredited representative to attend the continued deliberations of the so-called Ad-hoc Committee. It seems to me totally meaningless for the Council to set up a committee to discuss our common future without so much as a sidelong glance at this democratically elected assembly. I realize that there have been contacts with Mr Spinelli and with the President. I ask for one further step and call upon the President-in-Office to give us a clear assurance that he will persuade the other members of the Council to let us — for example, through our President — take part in the further deliberations of the Dooge Committee, which indeed has been instructed to report by March.

That said, I would welcome the first observations of the President-in-Office in this Assembly. Those many and long sentences concealed a positive European will, which we badly need to hear. The Danish Government often has reservations when the discussion turns to deciding which way we are to go forward. The President-in-Office of the Council understood these feelings when he spoke of the policy of small steps. That is precisely the phrase I have used myself in this connection.

But, that apart, I must point out to him that any step forward he may propose over the next six months will be welcomed by the Members of this Assembly. Speaking on behalf of the Danish conservatives, I can say that we agree with him and Jacques Delors that the Community has ground to a standstill. I ask him to get us moving again, for it is the Council that is the brake-block. And I ask him not only to secure his support among the heads of government but also to come back again and again to this democratically elected Assembly, which can give him the support of the peoples of Europe. The Council and the Commission lack the ground anchorage to which he alluded in his speech. There is a democratic deficiency in their terms of reference. If we are to move forward or, to use his

Toksvig

own words, if we are to perceive the Community as a living, open and constantly developing entity, it is here in this Chamber and among us that he can find his support. That is what we have been elected for. We have, with few and quite unimportant exceptions, a historical mandate to take those small steps forward with the presidency. And our sole obligation is to ensure that those small steps never deviate from the course we have plotted together.

Any sailor knows that navigation is easiest when the speed of the ship can be divided by three, because there are 60 minutes in each hour. The President-in-Office can count on our support each time he takes three steps forward, and he can expect our opposition if he chooses to adopt a passive role.

Mr Ephremidis (COM). — (GR) Mr President, despite having tried we have not found any points in Mr Andreotti's lengthy speech with which we can agree as regards the present situation and the prospects set out for the six months of the Italian Presidency. In the two minutes available to me I cannot, of course, deal with every point, so I will confine myself to a few of them. Mr Andreotti dealt with the question of enlargement but neglected to mention the related matter of the Mediterranean programmes which though chiefly of interest to my country concern his country, Italy, too, I think. He limited himself to saying that some interim compensatory measures will be instituted and expressed his regret that as yet no decision has been taken on the Commission's proposals concerning the integrated Mediterranean programmes.

As regards unemployment he was very straight. He affirmed that we are going from bad to worse but neglected to say what specific measures and forms of action are to be taken to tackle this gangrene currently threatening the working people of the Community.

On the broader issue of peace and disarmament we gather from Mr Andreotti's speech that the Ten still see themselves as an adjunct of American diplomacy, and nowhere is there any spirit or boldness or any sort of initiative which would enable the Ten to contribute to a successful outcome for the Geneva talks and obviate backtracking such as we had with the deployment of Pershing and Cruise missiles, and in his country, too, at Comiso in Sicily.

Mr Andreotti also referred to matters in the Middle East but neglected to say whether the Community at long last recognizes the right of the Palestinian people to found a state of their own so that it can go in with a concrete initiative. Here I want to make the point that in his mention of the critical Middle East area Mr Andreotti totally neglected to touch on the Cyprus problem. He did remember to say that Vietnam should withdraw its forces from Kampuchea so that the people of that country can decide freely for themselves, but he forgot Cyprus which is occupied by Turkey, a

country which has an association agreement with the Community. It is a great shame that this omission came from a President of the Council who hails from a Mediterranean country such as Italy is.

Mr Ducarme (L). — (FR) I should like first of all to thank the President-in-Office of the Council for his speech, but at the same time to tell him that I found it more in the nature of a good review of the current situation and that I rather feel that this speech was more appropriate to a diplomatic rather than a political context, a speech which I would rather hear from the COREPER than from the President-in-Office of the Council.

I should like to put a number of clear, simple questions to which it will be possible to give yes or no answers, which I feel will be of more interest in the context of this parliamentary debate.

First question: on the budgetary side, discussing the annuality of the budget and the VAT rate increase, you tell us that you will be using your best endeavours to ensure compliance with the annual term of the budget, on which this House has insisted, possibly by bringing forward by a few months the entry into force of the decision on the VAT rate increase. Does this mean, Mr President, that the next meeting of the Council of Ministers will see the Italian Presidency formally and officially putting this proposal to a vote of the Ministers making up the Council? That is a clear question and I trust that it will receive a yes or no answer.

Second question: a very large majority of us in this House, I believe, consider that it would be lax and even improper to embark upon Community discussions on farm prices for 1985/1986 without having first adopted the budget for this year. Does the Italian Presidency undertake not to start any discussion of farm prices before the budget has been adopted? Again, a yes or no answer is what I am seeking.

Third question: you have very aptly raised the matter of drugs. I should be grateful to receive some additional explanations. In this area, which has a bearing on protection of our peoples, you are planning a meeting of the Council of Ministers, but do you intend to limit this meeting to the Ministers for Health or will you be including the Ministers for Justice? In my view, by bringing in the Ministers for Justice, you will be attacking the problem at its source and not just the symptoms as they arise further downstream.

A fourth and final question: last October, in a vote on a motion for a resolution, our Parliament called for an immediate meeting of the Council of Ministers for Justice, to lend fresh impetus to the efforts to combat terrorism in Europe and to translate the European legal area into reality. We are still waiting for that Council meeting, and in the meantime the Euro-ter-

Ducarme

rorists have been striking in all countries of the Community, and with especial violence in your own country! My question is simple: is the Italian Presidency prepared to bring about the meeting of this Council of Ministers for Justice, which could usefully be enlarged to include the Ministers for the Interior of the Community?

I have not exhausted my speaking time, but I think it preferable in a debate such as this one to put questions which are perhaps short but which invite very clear answers, essentially yes or no.

Mr Roelants du Vivier (ARC). — (*FR*) Mr President, Mr President-in-Office of the Council, I should like to thank your first of all for the respect that you have shown to this House, both in your response to its vote on the budget and in your very presence here at this late hour; in this latter respect, you have done better than your Irish colleague, and I was anxious to congratulate you on that.

Having said this, I have a number of comments to make on the socio-economic aspects of your speech. I should like to quote from the recent communication to the European Council of 3 and 4 December 1984 on the economic and social situation in the Community. It contains the following passage: 'Action to develop the supply side must be pursued vigorously. The competitiveness of productive structures must be strengthened by a range of measures, which should include continued effort to lend further depth to the common market, common measures to develop advanced technologies, and adjustments to the rules having a bearing on the activities of business undertakings'.

These, then, were the recommendations that the Commission was making to you on the eve of your Presidency, Mr President. They are almost a caricature of the fashionable socio-economic cocktail favoured by those who look for growth at any price and therefore give priority to supply over demand, prostrate themselves blindly before the altar of new technology and look upon social deregulation as a means of improving productivity. The days seem far off when certain people in the Commission, among the members of the Commission or in their entourage, had the temerity to cast doubt on the myth of perpetual growth, and yet is it not this myth that has brought us to our present pass, with the social consequences that we are now experiencing on such a massive scale?

The land is an asset which must be managed for the good of all. It must not be exhausted, nor must its resources be severely depleted. Now that our various governments, whatever their complexion, are beginning to get some inkling of the disastrous results of such a fundamental failure to understand the planetary ecological balance, they are rushing indiscriminately into the race to master new technologies, and I am afraid that you are merely taking up the same refrain,

since the maximization of profit and output necessitates reduction of labour costs and intensive recourse to new technologies.

Let us consider the examples of farming, the motor industry and petro-chemicals. Here we have three sectors of the economy which have shed and will continue to shed labour in large numbers, as a result of the introduction of new technologies, the effects of which will in no sense be offset by the small numbers of jobs created in the data-processing sector. We have a duty to say and to keep on saying that this drive for uninterrupted growth of production is nothing but dogma spawned by the industrial society. Moreover, would it not be better instead to have the imagination to channel economic effort into the satisfaction of human needs and the attainment of real wellbeing for the individual? Clearly, if we want that — and I say 'we' advisedly, Mr President — we are confronted with a substantial obstacle in the shape of Article 2 of the Treaty of Rome, which gives continuous expansion the status of a general objective. This conception of continuous expansion is unacceptable to us. It can hardly be said to be rational, since it fails to take account of the fact that the resources of our planet are limited. It is destructive of the quality of life, since it encourages a desire in people to acquire more and more material goods, to the detriment of the most disadvantaged, whether in our countries or in the south of the planet. What we are proposing is therefore the replacement of continuous expansion with harmonious, durable development which shows respect for the natural equilibria and concern for individual fulfilment. Man and his environment, that is the proper basis.

I should like to illustrate this proposition in relation to new technologies. New technologies are neither to be worshipped nor to be rejected, and yet the economic system is stumbling on in this area, with nothing to guide its steps. Technical progress carries on, but no consideration is being given to its social impact or to its effects on the environment. It is nevertheless essential — it is no more than common sense — for the possible introduction of new technologies and, more generally, all major economic choices to be preceded by studies to bring out both sides of the argument and by public debates. It is necessary to obtain detailed knowledge of the possible effects on the environment and the quality of life and also of the social impact of such developments. It is to this end that I have tabled a motion for a resolution, which is the subject of a report in this Parliament, under which a European office for the evaluation of technologies would be set up under the auspices of the European Parliament. Promotion of this objective could be one of the results of your Presidency, and I look forward with interest to your reply to this question.

Mr Ulburghs (NI). — (*NL*) Mr President, I come from a small country, Belgium. According to the opi-

Ulburghs

nion polls, the vast majority of the population is opposed to the deployment of nuclear missiles. Will Mr Andreotti accept this as a significant fact and give it his support? Secondly, will Mr Andreotti call for the release of Nelson Mandela so that he may continue his political activities in his country, South Africa, unhindered.

Mr Christiansen (S). — *(DA)* Mr President-in-Office, sadly we can only say that we are deeply disappointed, when we look at the results achieved by the Irish presidency in its six months: nothing of significance. I am aware of the Community's great problems, but must stress that, when the previous presidency left the chair, Europe and its Member States were in even greater chaos than when it took office. The Council of Ministers has failed on two crucial counts: it has not made a serious attempt to solve problems of such paramount importance to Europe as unemployment and production. We are all aware that Europe is in a deep economic crisis; we are no longer able to compete with the USA, Japan and the countries of South-East Asia. In recent years millions of jobs have been created in these countries, while the Community and Europe have experienced a drastic decline in employment.

I must repeat what I said last month to the Irish presidency: it is an insult to the unemployed of Europe and their families and to future European generations that the Community has not taken up these challenges. Why should we, without a struggle, give up jobs in the technological field to the United States and Japan when the basic research has been done in Europe? How much longer are we to live with technical barriers in the European countries, when we already agree that they must go? Away with them! Pollution — what's happening there? Empty words while the fish die, the forests choke and the air becomes ever more dangerous to breathe. Are we to go on putting up with the whims of Reagan and the US dollar? When are we going to take the EMS, the European Monetary System, seriously?

The second crucial point on which the presidency failed was the need to make the Community's institutions function effectively. The way dossiers pile up on the table of the Council of Ministers is absolutely unacceptable. It shows lack of will and an unforgivable indifference to constructive cooperation, when the decision-making process is held up merely because the Council of Ministers cannot conduct business in a normal and proper way. Then there is the fact that the opinions which the European Parliament produces for the Council of Ministers at its request are seldom given attention. This lackadaisical way of doing things, given the problems Europe is faced with, paints a very gloomy picture for the future.

I therefore emphatically urge the incoming Italian presidency to learn from the mistakes of the outgoing Irish presidency. There is no point in having a new

institutional arrangement in the Community if there is not the political will to enable the present institutions to function and cooperate under the present provisions of the treaties. It is like teaching schoolchildren to divide before they can add and subtract. I cannot stress this point firmly enough: the Danish social democrats will never accept any restriction of our efficient national democracy in favour of a supranational decision-making system. There is every indication that it will master the art of fine phrases, but will not succeed in bringing about cooperation in the solution of the great European problems: production and unemployment. These problems can only be solved by common action in a Community created through our ability to convince one another that it is necessary to bring into line and coordinate the various countries' policies. The Italian presidency will do itself and all the Member States of the Community a great service if it lets the Dooge report quietly slip into the archives and instead devote its energies to the solution of our real problems.

Our European Community is a reality and should be enlarged, but it must not be used to undermine the independence, cultural identity or self-respect of smaller countries. While we Danes are ready and willing to go a long way in real cooperation intended to improve conditions for the citizens of Europe, we will fight any attempt to deny us our right to defend our vital interests. The big nations in the Community will always have the right of veto by dint of their position and resources. The small countries will have to abandon cooperation if the big nations, instead of concentrating on material progress, seek to pursue traditional power politics and take away the independence of the small nations.

Finally Mr President, let me say that I have always considered the Community to be a very worthwhile politico-economic organization. My hope and desire is now, as always, that the Community's decision-making machinery and will to cooperate will be strengthened. This implies, in the world we live in today, a heavy responsibility for the big nations in particular to ensure that this cooperation is strengthened. A new spirit must be created in the Community in which the participating countries and political groups regain their idealism and their ability to achieve concrete economic and environmental policy results. This idealism must be centred on an attitude of gentleness towards the countries we come from. This idealism must recognize that we have joined together for good or ill, and that this compels us to shoulder our burdens together. I very much hope that the new presidency will take on this task and bear in mind in its endeavours that words and fine phrases are short-lived, while action and material change are lasting. If, Mr President, you choose to strengthen the material Community and Europe, you will not call in vain for the active cooperation of the Danish social democrats. We want Europe — we want it for the sake of the participating countries and of their populations.

Mr Formigoni (PPE). — *(IT)* Mr President, I should like first of all to express my warm appreciation of the speech with which President Andreotti outlined the programme of the Italian Presidency this morning. This appreciation applies particularly to the clear determination that he showed to involve the European Parliament in the formation of all Community policy. It is this point, amongst so many, that I should like to deal with, and I propose limiting what I have to say to this subject. This is a new approach, which was already looked for by Parliament in the resolution that was adopted on 14 December 1984, on the motion by the Political Affairs Committee of which I am Chairman; a new approach, which has already borne its first fruit in these very days, with the new procedure for the political investiture of the Commission.

President Andreotti, I am convinced that we have to proceed bravely in the direction that you indicated. We have to recognise that, from the time that Parliament was elected by universal suffrage, nothing fundamental has changed in the relations between the institutions. It is as though election by universal suffrage was simply a procedural fact, instead of an essential means of introducing change into the institution that guarantees the democratic life of the Community! It is not possible to examine, here, who is responsible for this state of affairs. The fact is that the European Commission has continued to regard the Council as the body to which it has to look for decisions, and the Council has continued to consider Parliament as a consultative body to which it never denies a few words together or an answer, but which is never allowed near the levers of power; indeed, the fact that it can exercise budgetary powers is tolerated as a nuisance.

This is the present situation, and this, in my view, is the main cause of the crisis in which the Community finds itself. In a parliamentary democratic system, in fact, governments cannot take important decisions without the agreement of Parliament, but in the case of the European Community the position is exactly the opposite: the governments do not consider the European Parliament as their parliament. And yet the European Parliament has the same composition as the national parliaments: it is elected by universal suffrage, in accordance with electoral systems that have been approved by the national parliaments. It is absolutely indispensable that we re-define, as a matter of urgency, the relationship between Parliament and the Council. This can only be done by involving Parliament appropriately in the legislative process, in accordance with the rules of all parliamentary democracies.

I call on the President of the Council to examine the possibility of committing himself — at least, where important decisions are concerned — not to go against the views expressed by Parliament. This undertaking can be given, even though there is not unanimity within the Council, but only agreement between several governments. I know that this formula is not

envisaged by the Treaties, but it is the only one, for the immediate future, that can get the Community working again. Whenever the position of the Council is fundamentally different from that of Parliament, the Commission's proposal could be referred back to the Parliament and could if necessary be a subject for conciliation between the two institutions.

Mr President, I realise that I have put forward a highly innovative proposal in too short a time but, in a period of difficulty, if not crisis, such as that which Europe is at present going through, there is no point in looking impotently back. Courage and imagination are needed to build something new: the Italian Presidency can do this, and I hope it will want to, and will know the way to do it.

Sir James Scott-Hopkins (ED). — May I welcome the President-in-Office back into the Chamber. It is nice to see him here again.

He made a very wide-ranging speech; indeed the debate itself has ranged over an awful lot of ground. I want to concentrate on two areas only. The first is the internal market. We heard from the President of the Commission yesterday that he hopes to do away with all the internal barriers to trade inside the European Community by 1992. Now the President-in-Office knows as well as I do that neither the Commission nor Parliament can achieve that worthy aim — which we all want to achieve — without the cooperation of the Council of Ministers.

There is an enormous block, and this has been referred to by other honourable Members before me. Sitting in the Ministers' trays in Brussels there are about 400 recommendations, directives and so on which need to be gone through if we are to do away with these barriers to trade. I do hope that over the six months ahead the President-in-Office will make it one of his top priorities to start coping with this problem. I hope that he will get together with the President of the Commission to draw up a list of priorities for dealing with this backlog of recommendations. Unless we can clear away the internal barriers to trade, we shall never be able to move forward in this Community. Heaven knows, time has been passing. He will remember that when he was a Member here, we were saying exactly the same thing then as I am saying now. The situation is no better now than it was then when he was here moaning like hell, as I am moaning like hell, about the same thing! So I do really hope that he will move forward in that area.

The next priority, which also concerns the internal market — and he did mention it — is, of course, the expansion and the enlargement of the EMS. I do hope that he can persuade my government of the great advantages of joining the last phase in the EMS and moving and using, as he said himself, the ECU to a greater extent.

Sir James Scott-Hopkins

I am bewildered, I must say, by the events of the last few days in relation to sterling and other currencies. Why have not the Ministers for Finance of Italy, Germany, France and my own country — indeed even Japan — got together and dealt with these speculators against our European currencies, not only the pound sterling but the Lira and the Deutschmark as well? We could easily have done so if they had got together. I hope that the President-in-Office will take action to see that this is done.

However, if we are to improve — and one hopes he will take this, as one of his priorities — the use of the ECU in international transactions and also in the internal market, I hope that he will give instructions to his staff to look at the next step which should be taken if we are really going to have a good internal market, and that is fiscal harmonization. We talk a great deal, as Mrs Castle did, about the agricultural industries and others, but we shall never really have a common agricultural policy which is fair to everybody unless the tax burdens on the farmers are shared equally throughout the Community. That is something which ought to be dealt with and looked at now. It is going to take a long time, but let us get the machinery moving to do it!

Finally, the last area that I would hope the President-in-Office will concentrate on is political cooperation. In his speech he went with amazing speed right around the world, but I did not really gather from him where his areas of priority lay. I hope they will lie first of all with the United States and with the relationship between the European Community and the United States. Secondly, the Middle East, where he has just been, is the crucial area for all of us. I sincerely hope therefore that, together with his colleagues, he will bend his best efforts towards playing an active role in securing a lasting peace in that war-stricken area of the world, which is so near to us and so very dangerous for us all.

(Applause from the European Democratic Group)

Mr Fanton (RDE). — *(FR)* Mr President, I seek information. I see that it is now twenty to six, whereas Question Time could have been expected, on a reading of the agenda, to have started at half past five. I know that the Presidency is always very restrictive over the duration of Question Time, and should therefore like to know whether it is going to start now or we are going to continue the debate, the effect of which will be that Question Time will once again be lost. And since all the questions listed were already down last month, I should like to know whether they are ever going to be called.

President. — Mr Fanton, I already informed Members that this debate began half an hour late. It was not possible to deduct this half-hour from the speaking

time of the political groups. The debate will therefore continue until 6 p.m., when Question Time will begin. At 7 p.m. we shall see whether we shall proceed to the vote or continue with Question Time for the full amount of time scheduled on the agenda.

I would ask you to continue the debate so as not to hold up our work further.

Mr Iversen (COM). — *(DA)* Despite the fact that the rich have become richer in recent years, during the so-called economic upswing, unemployment has risen to levels which have long been unacceptable. A European Community which can say 'no' to the pleas of 12 million people for a job is truly in a serious crisis. Now Mr Andreotti says that this development could be remedied by further integration and coordination of the economies of the Member States. But the EEC economic model is the model of capital, and we have no wish to strengthen the bastions of capital in Europe; on the contrary capitalism is at the root of the misery which dogs many of the inhabitants of Europe today.

When the Italian foreign minister says that there will be stones along the road to Union which will make the going rough, I can promise him that he is right. European Union is based on ideas to which the Danish people are fundamentally opposed. My party, the Socialist People's Party, will be doing everything in Denmark to ensure that the proposal for European Union does not become a reality.

Developments in the real world have long overtaken life in the greenhouse world of the European Community. This also applies to the environmental field, in which the introduction of lead-free petrol is being postponed merely because a few countries oppose it. We must now demand that those countries which are in favour should disregard the EEC bureaucracy and various capital interests and introduce lead-free petrol nevertheless. But the delay in the introduction of lead-free petrol is just one more illustration of the fact that it is the producers' and not the consumers' interests which are safeguarded in the Community.

The Italian foreign minister drew attention in his speech to the fact that there were great problems in harmonizing political cooperation. In that connection, I should like to point out that, if Europe is to play a role in the world today — and Europe should do so in my view — it is vital that we get to grips with establishing a form of political cooperation, which is entirely separate from Community-based cooperation. What we want is political cooperation between all countries in Europe and not cooperation involving a supranational body such as the Commission. A truly European process of political cooperation could today play a far more important role, which is sorely needed in our troubled world. A first and absolutely vital step towards this European political cooperation will be to

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separate European political cooperation in both formal and real terms from cooperation in other respects within the Community.

Mr Plaskovitis (S). — (GR) Colleagues, we too welcome the presence of the new President of the Council and the assumption by Italy of the presidency of the European Community. We were particularly pleased to hear what Mr Andreotti said concerning the need for rapid implementation of the integrated Mediterranean programmes, in order to help the Mediterranean countries of the Community, and his assertion that it is precisely these countries which will bear the main brunt of enlargement when Spain and Portugal join.

The European socialist parties, like the Socialist Group in the European Parliament, were quick to recognize and give weight to the fact that enlargement, which for a host of important political, cultural and social reasons is certainly essential, will have a direct bearing on the balanced economic growth of the Mediterranean countries in the south of the Community which, in their levels of development, lag considerably behind the countries of the north. The Commission's proposal for drawing up and implementing integrated Mediterranean programmes affecting France, Italy and, in the main, Greece, accorded with this viewpoint. In Greece's case the cost of this programme amounts to 2.5 billion ECU over a 6-year period which on an annual basis works out at just 1.6% of the Community's budget. The European Council has examined these proposals time and again in Stuttgart, Brussels and Fontainebleau, and acceptance of them has been tied in principle to enlargement.

Disharmony as regards this acceptance and these decisions emerged only at the Dublin summit and, as we know, this obliged the Greek Government to postpone giving its final assent to enlargement. It is our opinion, Minister, that the impasse created in Dublin will not be overcome in this respect unless the Italian Presidency concentrates all its efforts on convincing the other partners in the Community of the necessity to get the integrated Mediterranean programmes off the ground in 1985, with effective funding in line with the amounts envisaged by the Commission. And by effective funding we mean ensuring the additionality of the called-for resources and the earmarking of a sum which will definitely match up with the objectives of the Commission's programmes.

In Dublin certain parties drew back. They refused to be tied on the overall amount of money to be made available and insisted on having the appropriation determined annually within the framework of financial procedure and financial stringency. It is obvious that under these circumstances the Mediterranean programmes would to all intents and purposes never get off the ground. But, Minister, financial stringency cannot act as a centre of gravity for the Community. The centre of gravity lies in the solidarity of its mem-

bers and in balanced economic growth. If the struggle for the Community is only to be about how the Community can be kept going and survive it will be ill-favoured and destined to failure from the outset. No organization can survive unless it plans ahead and acts accordingly. Enlargement means new action and new horizons, along with new obligations. So from the Italian Presidency we expect a sincere and bold approach to the matter because it is only this which can make enlargement possible and convince the peoples of the Community that the basic aims for which it was founded are not to be abandoned.

As regards the Italian Presidency's approach more generally to the problems of peace and, in particular, of the sensitive region which is of concern to us, the Middle East, I want to say that the initiatives of the Secretary-General of the UN, Mr de Cuellar, have given us added hope, and we believe that under the presidency of the Italian Foreign Minister the Council of Ministers will give its backing to these initiatives.

Mr Poettering (PPE). — (DE) Mr President, the President of the Council has rightly referred to the tragic situation of the European people in Poland. I would like to refer to the tragic situation of other European peoples, including part of the German people and say: there is neither pan-Germanism nor pan-Slavism in Germany, but there is a desire on the part of the people for freedom, self-determination and respect for human rights.

My group attaches great importance to human rights and the question of controlled disarmament. And that is precisely why in December the European Parliament adopted a resolution making our position on the disarmament negotiations clear. In the interests of Europe the governments of the Community countries must now give a more practical tone to their rhetoric on arms policy, for otherwise Europe would simply be relegated to the wings. Good wishes and hopes alone cannot represent our European interests effectively.

I would ask you, Mr President of the Council, to take an initiative now, together with your colleagues in the Council, and to work out a European disarmament plan. In my view such a plan should contain the following demands: first, we Europeans should make it clear that space weapons must of course be discussed in detail and we must not allow the question of medium-range missiles, which pose a special threat to Europe, to take second place in the Geneva negotiations. Secondly, we Europeans must call for arrangements for *in situ* inspections, and with regard to existing weapons systems we must call for a European data bank and point out that under Article 6 of the Non-Proliferation Treaty the super-powers, especially the Soviet-Union, have undertaken to exercise, and I quote, strict and effective control. Hitherto Moscow has not observed this undertaking. Thirdly, the ten Community states should ask for the negotiations on

Poettering

the reduction of conventional forces to be speeded up, and the Geneva talks about strategic and medium-range weapons and space weapons must not make us lose sight of the importance of the MBFR negotiations in Vienna. Fourthly, we should make it clear that real détente must serve the people and that the East-West dialogue must therefore lead to more exchanges of people, information and opinion.

I ask you, President Andreotti, to discuss this in the talks between the ten foreign ministers. The heads of state and government could then determine the European position on the arms control dialogue at the March summit. Let that serve as a pointer and a hope for the people of Europe.

Mr Costanzo (PPE). — *(IT)* Mr President, Mr President of the Council, six months is certainly not a very long time, just as the three minutes' speaking time that is allocated to me is also not very long for me to express an appraisal of the President of the Council's statement. Six months is not very much time in relation to the many problems awaiting attention, bearing in mind also the fact that everything does not depend only on the political will of the Presidency, and its capacity for putting forward proposals. One fact is certain, and we have been able to note that this morning in his speech: this Presidency firmly believes in the re-establishment of a balance in relations between the institutions of the Community; it shows it has many very clear ideas on the subject, and, above all, it shows that it is convinced that the building of Europe should be planned and carried out at a Community level, and, above all, within the framework of the Community's institutions.

What you have said to us, very explicitly, regarding the role of the Commission and above all that of the European Parliament, allows us to think that the Italian Presidency will give considerable impetus to this pre-eminently necessary institutional and political process of clarification. This six-months period may provide the opportunity for consolidating some of the essential points along the road of European construction, so as to avoid going back over our own footsteps in the future. Obviously, Union will not be achieved only by putting right the institutional 'containers': we have to define contextually the political content of the Union. We cannot stop at the experiment — worthwhile though it has been — with the Customs Union, the free trading area and the Common Agricultural Policy, the last of which, as you yourself have told us, certainly needs to be revised and appropriately updated. We expect the greatest effort to be made, however, in the field of monetary integration which, as you say, can only make fresh progress through the wider public and private use of the ECU. The People's Europe will be built by enabling Europeans really to feel themselves citizens of Europe, and hence able to enjoy in a concrete way the rights of liberty and freedom of movement. The citizens of Europe — or at

least those who are most aware of the problems of peace and worldwide development — now expect Europe to play a more influential part in North-South and East-West relations. This expectation is justified also by a few commendable foreign policy initiatives by the Italian Government — which have of course respected the terms of the Western alliances — notably regarding the policy of détente *vis-à-vis* the Eastern Block, and the move for better understanding and fruitful collaboration with the countries and peoples of the Mediterranean Basin and the Middle East.

(Applause from the benches of the Centre)

Mrs von Wogau (PPE). — *(DE)* Mr President, ladies and gentlemen, this morning we listened with great attention to the words of the President-in-Office of the Council, for he spoke of what must be done in the European Community in the first half of 1985. With reference to the term of legislature of this Parliament, we must be clear about one thing: 1985 is one of the few years without major elections in any of the larger countries, which is why this year offers us a great opportunity. In my view, whatever is not done in the first six months of 1985 will not be done later in this term of legislature either, so that the Italian presidency of the Council bears a particularly great responsibility here.

I would like to turn to two subjects, Mr President of the Council, which you went into in detail and which Mr Delors, President of the Commission, also discussed in great detail, namely the common market and the common currency. What underlies these subjects is the fight against unemployment in the European Community and the question of the contribution the Community can make to overcoming this unemployment. The main contribution we can make is substantially to improve the competitiveness of European undertakings, especially in the field of future technologies, by creating an economic area on a continental scale, something which does not yet exist today in this decisively important area of future technologies. The absence of a common market in this area hits the small and medium-sized undertakings particularly hard.

But we know that it is precisely in the field of small and medium-sized undertakings in the European Community that new jobs have been created in the key technologies in recent years, for that is where the greatest opportunities exist. So it is important for the existing programmes to be supplemented and for us to establish specific priorities in the field of common standards, the further development of common patents and common trade marks and European tenders. These things must be achieved in the first six months of 1985 and we must make the necessary preparations for creating an appropriate European transport infrastructure and for more common action in the field of large technologies. Here I am thinking primarily of aircraft construction and everything relating to space.

von Wogau

I now turn to the European monetary system. If we have a common internal market and a common economic policy, we also need a common European currency. First and foremost, the exchange controls in Italy and France must be reduced, the United Kingdom must join the monetary system and Germany must allow private ECU accounts to be opened.

Mr President of the Council, this morning you spoke of the economic revival in the United States. Do you imagine that this revival and the creation of jobs in the USA could have occurred if there had been a Pennsylvanian Mark, a Californian Lira and a Louisiana Franc in the USA? For this reason alone, I think that in the first half of 1985 we must make a decisive start in creating this European currency we need.

Mr Christodoulou (PPE). — (GR) Mr President, I would like to congratulate and welcome Mr Andreotti and the other members of the Italian Presidency and to wish them good luck in what is, admittedly, the difficult task they have taken on. We in the European Parliament, and specifically in the European People's Party, will be ready to help them find solutions to the problems which exist so that the development of the Community can be placed on a new and sound footing.

In this context I would like to stay on the subject of the integrated Mediterranean programmes because, particularly after what happened in Dublin, this great outstanding issue has assumed dramatic proportions. We were pleased to hear your promise that the Italian Presidency will step up efforts to get them off the ground. We take that as a clear commitment. Unfortunately, however, as you yourself noted, previous presidencies have been unable to rise to their duty in this area, and by virtue of this failure have brought even the negotiations on enlargement into jeopardy.

Allow me to say, therefore, that even though Mr Andreotti's commitment is quite clear I expect him to be much more specific. Because the integrated Mediterranean programmes demand specific measures, and because, from what we hear, an attempt is being made to reexamine the issue without first informing Parliament.

We are pinning great hopes on the Italian Presidency and will join with it in trying to get the Commission to submit as soon as possible a new draft budget for the Community covering twelve months and worthy of the expectations and objectives we wish to achieve. We also have to ensure supplementary cover for it, either via additional national payments or — as Mr Andreotti has said, and better still — by allocating the Community a larger percentage of VAT revenues, so as to get out of the financial impasse we are in as quickly as possible and make united Europe a credible proposition again.

I come now to the subject of financial stringency — in inverted commas. I say in inverted commas because this term has created a lot of problems and anxieties for the very reason that everyone puts his own interpretation on it. In the first place, of course, no one could be other than in favour of it. The absence of it in an international community such as ours is could turn out to be catastrophic for its institutions. The point at issue, Mr President, is precisely this. Parliament is not fighting to participate in decisions on the fixing of the reference framework out of a petty desire to keep up its authority. The fight of Parliament has a much broader motive and is inspired by a spirit which is purely European. For this reason, therefore, Parliament must participate in order to ensure a proper interpretation of financial stringency and we should all give our backing to this.

I would like to stress that if the Council persists in taking decisions on its own, in line with what it said in Dublin, and if it wishes to restrict the role of Parliament to that of a mere powerless interlocutor, no one should be surprised if the European Parliament formulates its own reference framework and requests the Commission to draw up a draft budget on the basis of it so that the meaning of the Community, of a united Europe, of the development and equality of its peoples, can remain that envisaged by its founders and not end up as a mere exercise in accountancy or as a trading zone.

(Applause)

IN THE CHAIR: MRS CASSANMAGNAGO
CERRETTI

Vice-President

Mrs Fontaine (PPE). — (FR) Madam President, ladies and gentlemen, our goal, our shared responsibility, I am almost tempted to say our passion, is to build Europe. And for us, building Europe today, over the coming years, necessarily entails the attainment of a number of objectives. Whatever our nationality, whatever our convictions in other areas, these objectives are widely shared in this House. If proof of this had been needed, it was provided by yesterday morning's debate, and that is a very hopeful sign.

As you embark upon your term in the Presidency of the Council, Mr President, I am delighted to note your determination to pursue these objectives together with us, with Parliament. But Europe's progress is being impeded by immediate difficulties. These difficulties cannot be ignored and it will fall to you, Mr President, during the next six months to assume the heavy responsibility for removing them, a thankless task perhaps, but an essential one.

Fontaine

The first of these urgent priorities — as you hardly need reminding — will be to achieve the earliest possible solution to the budget crisis by presenting a decent budget to our Parliament, by which I mean a budget which complies with the fundamental principle of annuality and makes provision for the continued pursuit and development of the whole range of common policies. In this connection, the suggestions that you made this morning give us very solid cause for hope.

You discussed the topic of enlargement of the Community and you referred to the agreement on the wine sector concluded in Dublin last December. In this connection, I hope that appropriate steps will be taken to allay the anxiety to which this agreement has given rise among farmers in the regions concerned.

As you said this morning, Mr President, the fixing of farm prices is going to take place in a difficult context. But I very much hope that the time-limit already announced by your Minister for Agriculture — 31 March — will be kept to and that the guaranteed amount will be fair to the farmers, many of whom are already experiencing an appreciable fall in income. It would be a great injustice if they were made to meet the cost of the policy on budgetary discipline. Coming to a more general point in this connection, the common agricultural policy should be redefined on dynamic lines with a view to rehabilitating agricultural production, which is one of Europe's prime assets, rather than running it down according to malthusian principles.

Finally, the construction of political Europe is especially close to our hearts, as you know, Mr President, and we took much encouragement from your determination. We are putting a great deal of hope in the Milan Council next June and in the prospect of an intergovernmental conference to which you referred, which would be a significant stride towards the attainment of a real European Union.

Having heard your words, we know that fruitful cooperation between the Council and our Parliament will be possible in tackling the immediate problems and plotting the course for the future, and we are delighted at this.

I know the depth of the European conviction prevailing in the country that you represent, Mr President, and I look forward with every confidence and offer my very best wishes for a wholly successful period of office.

(Applause from the Centre)

Mr Coste-Floret (RDE). — *(FR)* On a procedural motion. I appreciate the desirability of carrying on the debate on Mr Andreotti's very interesting statement of this morning, but according to the agenda Question Time should have started at half past five. Your prede-

cessor in the Chair told us following a procedural motion from Mr Fanton that it would start at six o'clock without fail. It is now ten past six and it has yet to start. I therefore ask the Presidency whether its ultra-restrictive conception of Question Time consists in reducing it to a matter of a few minutes, in which case our questions which could not be put during the last part-session and had to be postponed are going to suffer the same fate again, and I find that irresponsible.

President. — Mr Coste-Floret, a decision has been taken to conclude the debate. There will be one last speech by Mr Ciancaglini after which President Andreotti will reply. There will then be one and a half hours left to continue with the agenda as scheduled. We shall probably hold over the vote until tomorrow.

Mr Ciancaglini (PPE). — *(IT)* Mr President, Mr President of the Council, we look with confidence, but also with a great deal of realism, at the term of office of the Italian Presidency. With confidence, because we know the commitment to the European ideal that marked previous periods of Italian presidency of the Community; and with realism, because we are aware of the seriousness of the social situation, and the arduous tasks that lie before the Council of Ministers in the months to come.

Unemployment in Europe has reached a level that is unprecedented in history, and it constitutes a threat to every European family. A harrowing picture emerges from the statistics for last December, which show that 12% of the active population is unemployed, in other words around thirteen million workers, without taking into account the enormous amount of underemployment.

Despite the appearance of some signs of economic recovery in 1984, unemployment still increased in the majority of the countries of the Community, with an increasingly high percentage of young people, including graduates and people with diplomas, as well as women.

The size of the problem demands a decisive effort both by the Community and by individual Member States, as was maintained by this Parliament, during the last sitting, in a resolution that was adopted by a very wide majority, and which stressed the immediate need for a European plan for employment and, in particular, for youth employment. We have therefore to consider afresh the entire unemployment question, since we are witnessing the increasingly rapid growth of a category who are not so much unemployed as long-term non-employed — people who have never been able to have a job, and for whom the hopes of finding one are diminishing rather than increasing.

For this reason the Council resolution of 19 December 1984 on the fight against long-term unemployment is

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worthless unless it is now followed by the necessary action based on the strengthening of initial and permanent training programmes, on technological innovation, on the reorganization of the recruitment services and the restructuring of working time — in short, on the formulation of a plan for employment.

Faced with the challenge of the third industrial revolution and the accumulated time lost *vis-à-vis* the United States and Japan, we have to make a more detailed assessment of the labour market and the social impact of new technology, putting in hand an employment forecasting system. The European Community therefore has the essential task of linking the process of industrial innovation to the creation of new jobs for the young, implementing a policy for growth and new jobs through investment in production.

With these aims in view it is the duty of the Council to give concrete form to the initiatives, of Parliament and the Commission, designed to strengthen and improve the operation of the European Social Fund, on lines that will take into account the many different regional considerations involved. Then again, the Council has been prevented from making any formal progress on the restructuring of working time by the paralysing decision-making machinery involved. The European Parliament has already on a great many occasions expressed its views and its intention. We have to go ahead along these lines as one of the indispensable pillars of a policy for full employment.

Achieving these aims, Mr President, does not simply mean dutifully meeting the needs of social justice and the protection of the living conditions of our citizens; it is also the best and most concrete way of speeding up, with deeds and without rhetoric, the process of the political integration of Europe.

Mr Andreotti, President-in-Office of the Council. — (IT) Madam President, I shall only speak for a few moments, because I, too, intend to respect the agenda. I must however say to members that, as far as I am concerned, if Question Time starts late, it can also finish late. I shall therefore remain available as long as is necessary.

With regard to the debate that we have just had, it seems to me that there is considerable agreement on the need to make progress with the development of the Community's institutions and internal machinery, with regard to which we have noted a certain slowness. The questions that have been raised here regarding the internal market, and particularly certain sectors, are somewhat symbolical from this point of view.

The commitment to do more does not in any way mean that we should not recognize the work done by the Irish Presidency. I think that on at least two points we must be deeply grateful to the Irish Presidency. Without its very considerable commitment we should

not have been able to conclude the Lome III negotiations, and without its commitment in relation to the enlargement negotiations — despite the fact that these are still not concluded — we should not be in a position to conclude them in what I hope will be quite a short time. It was patient work, without any glory, because, when you have not reached the end, you do not get any glory.

(Applause)

I think it only fair to say this, and I do so also as a precaution for what your verdict might be on us, at the end of our six months.

(Laughter)

With regard to the Intergovernmental Conference, this is not a new problem, nor one that we have put forward; it is an undertaking. And we have gone to some trouble, by way of compromise, to lay down that, in the June meeting of the European Council at Milan, the date for calling this Conference will be discussed.

We shall work wholeheartedly in support of the work of the Dooge Committee during the three months that separate the March Council meeting from the one in June, because we all know the difficulties that exist — which, moreover, were echoed even this evening during the debate. Voices were also heard opposing any institutional development towards European Union. Moreover, we remember the extent of the compromise that we had to make when approval was given — by governments, the Council and the European Parliament — to the regulations for the election of Parliament by universal suffrage. It was logical: it was a question of increasing, at least gradually, the powers of the European Parliament. What was agreed then was an important institutional change to direct election, to replace the second degree representation of our national parliaments, but no agreement was reached on going any further.

This problem always returns. Sometimes a pragmatic attempt may be made — I heard some proposals along these lines even this evening — to overcome certain barriers through more direct contact. I think, however, that we must really work for the determination, as a formal commitment, of a Treaty of Union which, I repeat — and I said so this morning — must be politically as close as possible to the text approved last year by the Assembly.

This result will be proof of the progress made by our Europe; otherwise we can perhaps do, singly, a few positive things, but we shall not contribute to the progress of the Community.

I ask your forgiveness if, for the sake of brevity, I do not reply or comment on all your speeches. I listened to them very attentively, and have noted what was

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said. I should only like to say three things before I finish.

The first refers to the integrated Mediterranean programmes. This is a fundamental point, and not a pretension of Prime Minister Papandreou or one or other of the countries of Southern Europe: this was an undertaking for the most recent enlargement — the accession of Greece to the Common Market — and it has been discussed also in anticipation of the accession of Spain and Portugal. In point of fact the proposal in question did not emanate from one country or the other, but from the Commission itself. We consider that, on this point, there is a commitment that is worthwhile. Here again we have to avoid the philosophy of convergencies: either we succeed in introducing machinery that will effectively reduce the social and economic discrepancies between one country and another and between the various regions in the Community, or our political action could certainly not be considered satisfactory!

Then, as regards the budget, may I say that, this morning, I have already explained the lines on which we shall work. Tomorrow I shall go to Bonn to speak with Mr Genscher, to prepare for the meeting at the end of the month. I do not think that, at the meeting at the end of this month, we shall reach the point of being able to present a conclusion. But I can say that, together with the question of enlargement, we consider it obviously a matter of priority to let the Community have its budget for the full twelve months, and a budget, at that, which is factually and politically acceptable.

As regards agricultural prices, the need to have resources available before making budget decisions is logical. In this context there is, however, a misunderstanding: the Council of Ministers, to which the Treaty refers, was initially like a Council of Ministers of the Community. Then specialization — which seems to be typical of the modern world — also penetrated the Council of Ministers of the Community, and so some of these subjects are dealt with in two places, sometimes even on the same day. I think I must state here — not because of any corporate principle of the Foreign Ministers — that the general Council of the Community is the true synthesis of political and technical judgements, and must have political responsibility. Otherwise, there is a danger of fragmentation in the approach to our problems. Of course, as regards some meetings between ministers who have more direct responsibility — in the case of Health, for example, where they have a responsibility for technical aspects, but also a legal and an administrative responsibility — I agree that these meetings should be held at a more advanced level.

I should like to make one last observation, at the same time asking forgiveness for having omitted any reference to many other problems. It has been said here that the emphasis placed on the contribution that we

make, through our policy, to the North-South problem, was not sufficiently vigorous in my report. If that is the feeling, it was certainly not my intention. I think that one of the features of the Community regarding which we perhaps do not always keep public opinion properly informed is the fact that, through the association of our countries, we make a serious contribution not only, as far as is within our power, to a certain degree of economic and social development, but also, politically, to the creation of something new. And this is one of the good points of the Community. There are of course times when we have to deal with problems of emergency aid. I too will read this report of the Community's Court of Auditors, which may possibly provide some ideas in relation also to Italian domestic policy. I can say, however, that it is our institution that has presented the North-South problem in a systematic light, associating this group of selected countries and thereby creating the Community, which is what we now have to try to improve and see that it progresses.

I do not know whether we shall succeed in doing very much. However, we shall try our hardest. Someone expressed the hope that we should do half the things that we said. I do not think that the amount of things we succeed in doing is important; what matters — and we shall devote our utmost commitment to this end — are two aims: the first is to clear the ground of the two great problems that we inherited from the previous six-months' period — enlargement, and budget problems — and do this in agreement with Parliament, which we consider essential. It is essential not least because, if there is greater contact between the Council and Parliament, and between you and the national parliaments, then the governments of the Ten countries — and, tomorrow, the Twelve — will be very much more ready to understand and reason in European terms, which is something that is perhaps still not politically perceptible.

We shall endeavour to model our work during these six months on these two lines. Certainly, the Luxembourg Presidency, which follows us, will be faced with a number of problems, both new and old. I hope that what Mr Scott-Hopkins has said will not come to pass — that we shall still be talking, after several years, about the same problems. I hope at least that this will not be said about our work during the six months of the Italian Presidency.

(Applause)

President. — On behalf of the House, I thank the President-in-Office of the Council.

The debate is closed.

Mrs Ewing (RDE). — Wearing my hat as chairman of the Committee on Youth, Culture, Education, Infor-

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mation and Sport, could I thank the President for his very generous offer to remain longer in the chair. But I must point out to the Members that there is a problem about remaining longer tonight because this is the night of the Youth Orchestra's concert which begins at 7.30 p.m. It cannot begin later because many of the people in the orchestra are under 16. It is our orchestra. Of course, there are always problems when we are messed around at Question Time, but I would make this point to all concerned because this is a special occasion, being the beginning of International Youth Year.

10. Question Time

President. — The next item is the second part of Question Time (Doc. 2-1366/84). We shall begin with questions to the Council.

Question No 66 will be taken later together with Question No 77.

As they deal with the same subject, the following questions will be taken together.

Question No 67, by Mrs Dupuy (H-398/84):

Subject: Harmonized VAT systems

On 30 June 1984, the Council adopted a decision based on the third subparagraph of Article 93(2) of the Treaty, which stated that for the period 1 July 1984 to 31 December 1988 the aid granted by the Federal Republic of Germany in the form of VAT relief shall be deemed to be compatible with the common market up to a maximum of 5% of the ex-VAT price paid by the purchaser for the agricultural product.

Can the harmonized VAT system be used as a means of granting national aid?

Question No 68, by Mr Coste-Floret (H-399/84):

Subject: Council Regulation 855/84 of 31 March 1984¹

On 30 June 1984, the Council adopted a decision based on the third subparagraph of Article 93(2) of the Treaty, which stated that 'for the period 1 July 1984 to 31 December 1988 the aid granted by the Federal Republic of Germany in the form of VAT relief shall be deemed to be compatible with the common market up to a maximum of 5% of the ex-VAT price paid by the purchaser for the agricultural product'.

Why did the Council, in adopting this decision, not follow the procedure used for Council Regulation 855/84 of 31 March 1984 on the calcula-

tion and the dismantlement of the monetary compensatory amounts applying to certain agricultural products, namely adoption of the measure on a proposal from the Commission and after consulting Parliament, the Economic and Social Committee and the Monetary Committee?

Question No 69, by Mr Pasty (H-400/84):

Subject: Reduction of VAT in the FRG on products not forming part of a common organization of the market

On 30 June 1984, the Council adopted a decision based on the third subparagraph of Article 93(2) of the Treaty, which stated that 'for the period 1 July 1984 to 31 December 1988 the aid granted by the Federal Republic of Germany in the form of VAT relief shall be deemed to be compatible with the common market up to a maximum of 5% of the ex-VAT price paid by the purchaser for the agricultural product'.

Will the proposed relief, designed to offset the drop in domestic prices in the FRG due to the dismantling of MCAs, apply to products which do not come under a common organization of the market and for which there are no MCAs?

Question No 70, by Mr Musso (H-401/84):

Subject: Difference between the date of abolition of monetary compensatory amounts and the date of application of VAT relief

On 30 June 1984, the Council adopted a decision based on the third subparagraph of Article 93(2) of the Treaty, which stated that 'for the period 1 July 1984 to 31 December 1988 the aid granted by the Federal Republic of Germany in the form of VAT relief shall be deemed to be compatible with the common market up to a maximum of 5% of the ex-VAT price paid by the purchaser for the agricultural product'.

Will the VAT relief of up to 5% of the ex-VAT price granted to farmers in the FRG in compensation for the abolition of monetary compensatory amounts take effect on 1 July 1984, and will the relief for this period not enable German farmers to benefit simultaneously from VAT relief and high domestic prices?

Question No 71, by Mr Vernier (H-402/84):

Subject: Proper application of the 6th VAT directive

On 30 June 1984, the Council adopted a decision based on the third subparagraph of Article 93(2) of the Treaty, which stated that 'for the period 1 July 1984 to 31 December 1988 the aid granted by the Federal Republic of Germany in the form of VAT relief shall be deemed to be compatible with the common market up to a maximum of 5%

¹ OJ L 90, 1. 4. 1984, p. 1.

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of the ex-VAT price paid by the purchaser for the agricultural product'.

Before adopting its decision of 30 June 1984, did the Council ensure that the FRG was properly applying the 6th VAT directive and in particular Article 25(1), which reserves the common flat-rate scheme for farmers for whom the application of the normal value added tax scheme, or the simplified scheme provided for in Article 24, would give rise to difficulties, and Article 25(3), which stipulates that the flat-rate compensation percentages may not be used to obtain for flat-rate farmers refunds greater than the value added tax charges on inputs?

Question No 72, by Mr Baudouin (H-403/84):

Subject: Aid granted to farmers by the FRG

On 30 June 1984, the Council adopted a decision based on the third subparagraph of Article 93(2) of the Treaty, which stated that 'for the period 1 July 1984 to 31 December 1988 the aid granted by the Federal Republic of Germany in the form of VAT relief shall be deemed to be compatible with the common market up to a maximum of 5% of the ex-VAT price paid by the purchaser for the agricultural product'.

Does the aid in the form of VAT relief granted to farmers in the Federal Republic of Germany not run counter to the principles of price unity and non-discrimination which are basic to the common agricultural policy and the principle of neutrality of the harmonized VAT system provided for in the 6th directive?

Question No 73, by Mr de la Malène (H-404/84):

Subject: Legality of VAT relief granted by the FRG

On 30 June 1984, the Council adopted a decision based on the third subparagraph of Article 93(2) of the Treaty, which stated that 'for the period 1 July 1984 to 31 December 1988 the aid granted by the Federal Republic of Germany in the form of VAT relief shall be deemed to be compatible with the common market up to a maximum of 5% of the ex-VAT price paid by the purchaser for the agricultural product'.

Does the expression used by the Council, namely 'up to a maximum of 5% of the ex-VAT price paid by the purchaser for the agricultural product', mean that any relief granted by the FRG within the 5% limit is legal or that such relief is only permitted up to a maximum equal to the reduction in the product's domestic price due to the abolition of MCAs?

Question No 78, by Mr Guermeur (H-504/84):

Subject: The right to use the procedure provided for in Article 93(2), third subparagraph, of the Treaty

On 30 June the European Council adopted a decision based on Article 93(2), third subparagraph, of the Treaty stating that 'from 1 July 1984 to 31 December 1988 the aid provided by the Federal Republic of Germany in the form of VAT relief shall be deemed to be compatible with the common market up to a maximum of 5% of the ex-VAT price paid by the purchaser for the agricultural product'.

Can the Council use this procedure, which is intended for the authorization of state aids from state funds, where the aid involved is to be provided in part by the Community and has an effect on the CAP, the unified VAT system and the Community's own resources; in what cases have aids been granted using this procedure in the past? Is the Council not required to refer to Article 43 and 100 of the Treaty, which provide for prior consultation of Parliament; does the procedure that was used not upset the balance between the institutions?

Should the Commission, as guardian of the Treaty, not institute proceedings before the Court of Justice to have the Council decision revoked?

Mr Andreotti, President-in-Office of the Council. — (IT) When the farm prices for the marketing year 1984/1985 were being fixed, the Council, in adopting Regulation 855/84, decided to provide for a progressive dismantling of monetary compensatory amounts with a view to restoring the unity of the agricultural market, which was being undermined by the continued existence of different price levels in the various Member States, and to make compensation for the reduction in farm incomes brought about by the reduction in farm prices in terms of national currency consequent on the revaluation of the representative exchange rate of the Deutschmark, which had been decided upon in order to enable the compensatory amounts to be dismantled.

The Council Regulation authorized the Federal Republic of Germany to grant a special aid to its agricultural producers in the form of VAT relief up to 3% of the ex-VAT price paid by the purchaser for the agricultural product.

While acknowledging the need to grant this aid in the special circumstances in question in order to avert a substantial loss of income for German agriculture, the Council agreed that it would adopt a directive setting out the technical details governing the use of VAT as an instrument for granting the aid in question. Subsequently, in reply to a request from the Federal Republic of Germany, which had found that its farmers' incomes had fallen by more than 3%, the Council,

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availing itself of the powers conferred on it by Article 93 of the Treaty and taking account of the exceptional circumstances which justified exceeding the 3% limit laid down on 30 June, adopted the decision authorizing the Federal Republic of Germany, for the period from 1 July 1984 to 31 December 1988, to grant a special aid to its agricultural producers in the form of VAT relief up to 5% of the ex-VAT price paid by the purchaser for the agricultural product.

Unlike the special aid authorized by the Regulation, the Community will not take any part in financing the latter aid, which is a purely national aid.

Given the national character of the aids in question, the Council based its decision on the relevant provisions of the Treaty relating to State aids, in other words, on Article 93. When the regulation was being adopted, it was clearly stipulated that the granting of the aid provided for under this regulation must not have any effect on the Community's own resources.

The recitals of the decision in turn make it clear that the compensation granted should not exceed the losses arising from the dismantling of the MCAs. It will be the Commissions' task to monitor the proper implementation of the Regulation and also — as soon as it is adopted — of the VAT directive which will lay down the technical arrangements for granting aid to the German farmers in the form of VAT relief. The proposal for the Twentieth Directive is currently being considered by the Council and by the European Parliament, which was asked to deliver its opinion pursuant to Article 100 of the Treaty.

Mr Coste-Floret (RDE). — (FR) I thank the President-in-Office of the Council for his reply, but I have to say it leaves completely unanswered the points I raised. My queries concern the procedure and this procedure raises a basic problem. It is a fact that you have adopted different procedures in the case of aid granted to the Federal Republic of Germany and in respect of the dismantling of compensatory amounts. In the first case, you made a ruling without consulting anybody; in the second case, you made a ruling on a proposal from the Commission and after consulting the Assembly, the Economic and Social Committee and the Monetary Committee. My supplementary question is as follows: first, what is the criterion that enables you apply such and such a procedure in the one case and such and such a procedure in the other; second, do you not think that by appropriating everything to the Council without prior consultation, you are altering the institutional balance laid down by the Treaty?

Mr Andreotti. — (IT) I thought that I had explained this already. The Council based its action on Article 93 of the Treaty, which is applicable here because there is no question of a national aid being authorized.

Article 93 does not provide for any consultation. That is the rule; as for the future we shall just have to wait and see.

Mr Pasty (RDE). — (FR) The purpose of my question was to obtain the assurance that there was not over-compensation, in other words, that the advantage provided in the form of VAT refunds was not greater than the prior advantage resulting from the existence of dismantled compensatory amounts. No answer was given on this particular point, and I should like to pose the following supplementary question: what means of control has the Council introduced to ensure that in actual fact there is not over-compensation and that VAT refunds, in the matter of German farmers' receipts, do not go beyond the advantage previously given by monetary compensatory amounts? We have not so far been able to obtain any figures on this point and private studies show that there is indeed over-compensation. Furthermore, there is a gap in the timing, since the refund applies from 1 July whilst the MCAs have only been dismantled since 1 January 1985. This being so, I should like to know how the Council can say there has not been over-compensation.

Mr Andreotti. — (IT) The reason that the decision of 30 June 1984 applies also to products that were not subject to monetary compensatory amounts is that the adjustment of the green Deutschmark, which took effect on 1 January 1985, had the effect of lowering the prices of all agricultural products, not just those products in respect of which the MCAs did apply.

Mr Fanton (RDE). — (FR) Mr President-in-Office of the Council, listening to you reply to the supplementary question, I have the feeling that you are addressing yourself less and less to the questions put, since the questions are precise and you are not answering them. I should like to know how you can reconcile your statement of a few minutes' ago that the object of dismantling compensatory amounts is to restore the unity of the agricultural market with the introduction of a system which obviously runs counter to the principles of price unity and non-discrimination which is the basis of the common agricultural policy. For, when a decision can be taken such as that of 30 June 1984 permitting what constitutes an advantage for a partner of the common agricultural market, it is certain that no system of price unity exists. That is why, Mr President of the Council, as you will have observed, we have put six questions on the same subject — for some months now we have been attempting to understand and to obtain clarification. We had hoped that this evening you would give precise answers to each of these questions. You have given an interesting statement, but the information was already familiar to us; what we want are precise answers to precise questions.

Mr Andreotti. — *(IT)* I must ask the honourable Member not to give me such a hard time about matters which, while they have a bearing on this half-year, arise from decisions taken previous to that. It is, of course, my task to ensure continuity in the administration of Community policies. However, it is obvious that I will be able to explain more clearly any decisions taken in the coming six months as well as speaking with greater conviction about them. I should like to explain why these aids permitted for the Federal Republic were not regarded as being in conflict with the principles underlying the common agricultural policy. The Council felt that the continued existence of the MCAs was undermining the common agricultural policy and that all the measures to be taken directly or indirectly at the time of dismantling the MCAs should be geared towards the broad objective of putting everybody on an equal footing and should therefore, as I have already said, compensate for the fall in prices resulting from the abolition of the MCAs.

Mr de la Malène (RDE). — *(FR)* Mr President of the Council, of course I do not doubt your goodwill, but I have in front of me the exact answer you read out to us, an answer given on 12 December 1984 by the Council. It was you who forwarded it to me, or rather the Council. Further to that answer, we put to you six specific questions, and you have not answered them. I shall add another, and we shall go on putting questions until the Council replies. It is not your goodwill that is in question, it is the Council's. I ask you the following question: Mr President of the Council, if the monetary parities are altered, is the Council aware that whether or not positive compensatory amounts are instituted this is a formidable precedent in relation to the unity of the agricultural market and that the measure agreed by the Council on two occasions seriously calls into question the unity of the agricultural markets not only in that connection, but also in relation to all possible monetary developments?

Mr Andreotti. — *(IT)* The Council discussed this whole matter at length and in great detail. The point of departure was and still is a longstanding demand that MCAs be done away with. Before this could be achieved, certain measures had to be adopted that flowed directly or indirectly from this broad objective. Your question implies that the Council thereby created a precedent and that whenever similar situations arise, it will be obliged to act along the same lines. I can assure you that in the light of some of the considerations taken into account, and notwithstanding the basic soundness of the position taken by it at that time, the Council will carefully re-examine each case on its merits and will not, I would say, regard this precedent as binding.

Mr Guermeur (RDE). — *(FR)* Mr President of the Council, I appreciate that you are not particularly at ease on a subject for which you have not been directly

responsible in the past. Therefore, as my colleagues have noted, it is to the institution that I am addressing myself, and not to the President-in-Office of the Council who is present at this moment. My colleagues have pointed out the fundamentally objectionable character of the measure that has been adopted since it introduces elements of distortion of competition and imbalance in market unity, which is one of the foundations of the Treaty, as we know. But I should like to concentrate, after my colleague who was the first to speak, on the formal aspect of things and on procedure.

Mr President, I am very struck by the fact that you, the Council, have invoked Article 93.

In so doing, you had to consult neither the Assembly nor the Commission, and you claimed you could use Article 93 because national resources were involved. But that is not at all the case: Community resources are also involved since the reduction of VAT affects the Community's own resources. In consequence, it was not Article 93 that should have been invoked, but Articles 43 and 100, which would have meant consulting Parliament and the Economic and Social Committee.

The measure is therefore quite illegal and contrary to the Treaties; it has in fact no validity, and the day the Commission brings the matter before the Court, it will be seen that there has been an abuse of procedure. I should like you to answer me on this point, Mr President.

Mr Andreotti. — *(IT)* The Council made use of the procedure set out in Article 93 of the Treaty, which envisages the need for an application by a Member State. The same article provides that where aid is regarded as being incompatible with the common market, the matter may be referred to the Court of Justice.

Now it is true that any reduction in VAT, which constitutes a certain percentage of our budget revenues, must inevitably mean a reduction in these revenues. Nevertheless, from the legal point of view the procedure followed is unimpeachable, while from the political point of view we felt that we could not but do so.

Mr Van Miert (S). — *(NL)* I thought this was Question Time and not a fresh debate on a specific topic. I would ask you to conduct Question Time in the manner indicated in the Rules.

President. — Mr Van Miert, in my opinion this Question Time is being conducted in accordance with the Rules of Procedure.

Mr Patterson (ED). — Is the President-in-Office aware that the game has been given away by the fact

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that Parliament has before it at the moment a draft directive retrospectively amending the Sixth VAT Directive in order to bring about the legalization of what has occurred? Is he aware that in the Beumer report Parliament has rejected both the legality and the application of what has been done and that Parliament has no intention whatsoever of giving retrospective legality to something which is illegal?

I would recommend to the President-in-Office that he read the Beumer report and I ask him for his reactions.

Mr Andreotti. — *(IT)* The Beumer report has not yet been forwarded to the Council, so I am not yet acquainted with its contents.

Mr Mouchel (RDE). — *(FR)* Mr President-in-Office of the Council, the decision to grant Germany the possibility of reducing by 5% the VAT charge borne by farmers is akin to a direct aid in a national context. In addition to the partial renationalization of the common agricultural policy towards which this measure is leading us, we are seeing a change of direction in the CAP towards a system of the efficiency payment type. Furthermore, application of this measure from 1 July 1984, i.e. six months before the reduction of monetary compensatory amounts, gives German farmers and German agri-foodstuffs undertakings an advantage calculated to distort the rules of healthy competition.

What steps is the Council considering to correct this imbalance? Could it not, by way of compensation, decide to do away altogether with the remaining positive monetary compensatory amounts?

Mr Andreotti. — *(IT)* The Council's decision was taken on the basis of the case stated by representatives of the Federal Republic to the effect that an insupportable crisis had been created in their country. The decision was therefore exceptional and, as sometimes happens with decisions of this kind, ended up by having political repercussions. As is the case with all compromises, it contained elements that pleased all parties as well as elements that gave rise to dissatisfaction.

Mr Adamou (COM). — *(GR)* I would like to put a supplementary with reference to farm incomes overall.

In recent years, nearly every year, the announcement of farm prices has been delayed and this delay has been damaging to farmers. I would like to ask the President of the Council whether there will be the same delay this year or whether on this occasion farm prices will be announced on time.

Mr Andreotti. — *(IT)* If I am asked whether the decision is going to be taken quickly, I shall say 'yes'. It remains to be seen, however, what that means, because

first of all people wanted to have the budget question settled before the farm prices were fixed, whereas now it would seem that they want it the other way round. We shall try to make progress on both at the same time, because, I too feel that basically delays help nobody and only do harm both psychologically and economically. Therefore, we shall be asking the Ministers for Agriculture to take their decisions as quickly as possible while we at the same time are doing what has to be done about the budget.

President. — As they deal with the same subject, the following questions will be taken together.

Question No 74, by Miss Tongue (H-427/84):

Subject: Financial aid to Turkey

There are rumours that the Council intends to resume financial aid to Turkey under the special aid fund (Budget Item 9632).

Can the Council assure the Parliament that it will take no measure to resume financial aid to Turkey under special aid or any other budget heading unless and until the parliament has taken a position on the political situation in Turkey?

Question No 89, by Mr Van Miert (H-450/84):

Subject: Turkey

On 11 September 1984 the Ministers meeting in Dublin discussed the situation in Turkey as also relations between Turkey and the European Community. On 17 October there was an exchange of views in COREPER on the same subject.

Is it true that a large majority of the delegations now consider that the situation in Turkey has significantly improved and that now, as a first step towards normalizing relations with Turkey, instructions should be given to the Commission to bring the technical file on the financing project (TEK) up to date?

Mr Andreotti, President-in-Office of the Council. — *(IT)* The Council, like the European Parliament, is keeping a watchful eye on internal developments in Turkey. It is true that, in the light of what has been happening since the establishment of a civilian government under the leadership of the present Prime Minister, the Foreign Ministers of the Ten, meeting in political cooperation in Dublin on 11 September 1984, did discuss the situation in Turkey and future prospects for relations between Turkey and the Community. This discussion was followed by exchanges of views at various levels within the Council, with particular reference to a gradual resumption of financial cooperation under the special aid programme decided upon in 1980. This latter includes the TEK project mentioned by Mr Van Miert. The Council has not yet concluded its deliberations, and at the present stage no decision

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has been taken with regard to a possible resumption of financial cooperation with Turkey.

Miss Tongue (S). — First of all, I am not at all satisfied with the answer I have just received because it is not, in fact, an answer to my question. I would remind the Council that in the first reading of the budget last November this Parliament voted to block payments under Items 9632 and 9631 of the Fourth Financial Protocol to Turkey.

The reasons for our position are quite clear. There has only been a superficial return to democracy in Turkey. Political trials continue — of intellectuals, of members of the peace movement, of trade unionists who, I believe, every Member of this Parliament would say, are legitimate voices in any democratic society.

In the light of a recent Amnesty International report, I would like assurances from the Council that even *talks* on a resumption of aid to Turkey will not be resumed within the Council until this Parliament in this legislative period has taken a position on the political situation in Turkey.

Mr Andreotti. — (IT) I have just said that no decision has yet been taken. I cannot therefore simply put the whole matter to one side. In any case I think we all appreciate how delicate the political situation is and we would all share a concern to see a country get back on the road to recovery.

Mr Van Miert (S). — (NL) Does the President-in-Office of the Council not feel that, so long as advocates who defend accused persons are in their turn accused — this is what happened in the DISK trade union case, and subsequently in relation to the peace movement; in the meantime a new generation of advocates has defended those accused persons and these are now prosecuted in their turn — does he not think that there is a kind of totalitarian system operating here and that as long as this is going on there can be no legal system worthy of the name nor any question of applying the financial protocol?

Mrs Ewing (RDE). — Could I ask the President-in-Office a very simple question? Does he accept the report of Amnesty International? Has he read it? If he accepts it, can he possibly give us other than a categorical assurance, given the suppression of the press, the clear evidence of severe tortures and the fact that there have been 15 000 recent political arrests and that there are 400 people under sentence of death? Does he accept the figures given in the report of Amnesty International?

Mr Andreotti. — (IT) I shall have this Amnesty International report looked into. I have not yet come across it, and it is not included in the dossier.

Mr Fellermaier (S). — (DE) Mr President-in-Office of the Council, is it not a contradiction for you to refer to a Council decision taken before 12 September 1980 to grant financial aid and state that a gradual resumption of financial aid is now being considered and at the same time lack the political courage to admit that relations which have been frozen cannot be 'normalized' by progressively reestablishing financial aids but only by the implementation of the association agreement? In practice this means including the Association Council at Minister level. That way you would be credible. But you lack the political courage to do so, and therefore, you have opted for gradual reestablishment. I should therefore like to know what you will propose as President-in-Office of the Council of Ministers to your colleagues during the Italian Presidency. Will you, or will you not make any proposals? This question could be answered with a simple 'yes' or 'no' and on the basis of that 'yes' or 'no' Parliament would know what the Council's attitude is.

Mr Andreotti. — (IT) I should like to ask Mr Fellermaier not to drag political courage into this. No special political courage is needed to deal with a topic of this kind. Under a previous stewardship a beginning was made of examining this whole problem. I am very well aware of the political aspect of the matter, and we shall submit no proposals and make no decisions that are not prompted by the same political discernment that we bring to bear on all situations, no matter of what kind they are. But how can anyone argue that it was wrong to study this matter or that it should not be studied any more or that the whole situation should be allowed to drift on as it is until 30 June? How can anyone claim that no real progress can have been made, when even Amnesty International itself acknowledges the improvement in the situation? Well, this is something that you will not hear me say. On the other hand, I do not want anyone to think either that where dictatorships or semi-dictatorships or dictatorial regimes are concerned, we are inclined to turn a blind eye or give preferential treatment. The way we treat a problem is always geared towards the sole objective of affirming ever more vigorously the ideal of liberty for all human beings.

Mr Pannella (NI). — (IT) Yes, Mr President-in-Office, dictatorship up to a certain point! After all, when you were in Poland recently, you know, you expressed the hope that certain sanctions would be removed, and they have got a dictatorship there! Please do not take offence at my saying this to you. However, to return to the question before us today, your statement of two hours ago or four hours ago evoked much satisfaction in this Chamber. If the Council were to take any decision without taking into account Parliament's opinion on any new factors that may have entered into the situation, do you not think this would be seriously in conflict with your statement? That is the question I would like to put to you.

Mr Andreotti. — *(IT)* That is precisely why I said that we shall not adopt any proposal. It is obvious that if we have to change our minds every time people get up in the Chamber to express political views, then we shall adopt no decision unless Parliament changes its whole approach to political questions.

Mr Chambeiron (COM). — *(FR)* I should like the President-in-Office of the Council to know that the European Parliament has expressed its political will. I have just read in the press that six death sentences against Turkish Democrats have just been confirmed by a Turkish military court — this proves that there is not any movement towards democracy, as some would have us believe. But, as I said, a political decision was taken during the budget debate.

We have refused to enter in the budget, and we have placed in reserve, the appropriations earmarked for the fourth financial protocol or for financial aid. Do you not think that the best way to demonstrate the Council's intention to abide by the position taken by the European Parliament would be not to enter, on the presentation of the next budget, those appropriations intended for the fourth protocol and special aid?

Mr Andreotti. — *(IT)* This problem is being considered.

Mr Wedekind (PPE). — *(DE)* Mr President-in-Office of the Council, if you state in connection with Turkey that you do not close or half-close your eyes to dictatorships or semi-dictatorships, what attitude does the Council of Ministers adopt to the some 120 states throughout the world, which include almost all Lomé countries, all of which are dictatorships and some of which are dictatorships of the worst kind? In their case financial aid is given without any distinction whatsoever; but in the case of Turkey the standard of a Westminster style democracy is immediately imposed. The moral attitude adopted not only by the Council of Ministers but, as one would expect, by Parliament as a whole is nothing more than a pseudo morality!

Mr Andreotti. — *(IT)* I have a feeling that this discussion is getting out of hand. It may be that some day we will embark upon a debate where it will be appropriate to use these terms, but at the moment I do not want to go making sweeping distinctions between dictatorships and semi-dictatorships. I have given a reply along more general lines. In any case, it seems to me that one of the essential features of the aids we give to the Third World and indeed of all our ACP activities is the fact that we do not pass political judgments on the various countries with which we have to deal. If we were to do so, we should probably have to completely reshape our whole approach.

I feel that no one can dispute the fact that Turkey has set its face along a certain path. The time will come

when we will have to have a close look at it and see what we think of it, but no one can deny that the situation is better now than it was one year ago.

Mrs Dury (S). — *(FR)* I should very much like to raise a point of order. Supplementary questions must have a bearing on the first question. We are now having a debate on Turkey. The answers we are given may or may not be satisfactory, but let us allow these Members who wish to speak about Turkey to continue to do so.

I really think that there are about Question Time things that need to be reviewed and modified. I am entirely dissatisfied with what we have been seeing in the last hour.

President. — Question No 75, by Mr Toksvig (H-451/84):

Subject: European Synchrotron Radiation Facility

Will the Council report the results of its discussions, 6 November 1984, on the proposal to establish a European synchrotron radiation facility?

Mr Andreotti, President-in-Office of the Council. — *(IT)* At its meeting of 6 November 1984 the Council discussed various aspects of the plan for a European synchrotron radiation facility put forward by the European Science Foundation.

It decided to examine the report drawn up by the chairman of the Progress Committee of the SRF, which studies certain aspects of the criteria to be respected in selecting the site for the facility.

As it was physically impossible to cope with all these problems at the meeting of 19 December, the Council agreed to consider them again at its next meeting which is fixed for 5 February. It is not for the Council to comment on or explain any positions taken up on this matter outside the Council itself.

IN THE CHAIR: MR SEEFELD

Vice-President

Mr Toksvig (ED). — *(DA)* Thank you for the answer. However, I should like to put just one short supplementary question: will the Council come to Parliament's Committee on Energy, Research and Technology and discuss the decisions which will be taken in due course concerning the siting of the synchrotron?

Mr Andreotti. — *(IT)* Yes, through the Scientific Research Ministers.

President. — According to the agenda the vote on motions for resolutions on which the debate has been closed should be held at 7 p.m. On the other hand we have only had half-an-hour of Question Time, which is also on the agenda. I therefore propose that we finish Question Time with the Council, close the sitting as scheduled at 8 p.m. and postpone the vote until 6 p.m. tomorrow.

Are there any objections?

That is agreed.

Mr von der Vring (S). — *(DE)* Mr President, I should like to ask the Chair if we are pushed for time tomorrow, to ensure that we will conclude the voting before breaking for lunch since we shall, in any event, have a night sitting tomorrow.

President. — Mr von der Vring, I note your proposal and shall proceed as I have proposed. We shall continue now with Question Time and close the sitting shortly before 8 p.m.

Question No 76, by Mr Ford (H-459/84):

Subject: Rockall

What is the status of the Island of Rockall within the European Community; is it accepted as an integral part of Great Britain; does the Community recognize the validity of the Island of Rockall Act 1972 incorporating the Island into the District of Harris in the County of Inverness?

Mr Andreotti, President-in-Office of the Council. — *(IT)* I do not think that it is any part of the Council's work to define the territory of the Member States.

Mr Ford (S). — I find that answer unfortunate on two grounds. Clearly, with regard to the Island of Rockall, we do have a dispute between two of the Community countries over the sovereignty of that island. I see further problems arising over Gibraltar when Spain joins the Community and I hope that the Foreign Ministers will at least agree something with regard to those issues, which are going to be running sores in the Community unless they come to some decision.

Equally, I can see problems surrounding the Island of Rockall.

(The President urged the speaker to put a question)

I thought I had put a question. I was asking whether the Council was planning to come to a decision on

that matter and, secondly, whether, in fact, the exclusive economic zone around the Island of Rockall together with its hydrocarbon resources is recognized by the Community as being part of the United Kingdom and the responsibility of the United Kingdom.

Mr Andreotti. — *(IT)* I intend no disrespect to any island whatsoever when I say that I feel that Gibraltar may well give rise to far more serious problems than the island of Rockall. In any case, I must repeat what I said before, namely, that it is not for us in the Council to define the boundaries between one State and another.

Mr Tomlinson (S). — Will the President-in-Office accept it from me that I welcome his response in relation to the Island of Rockall, and will he accept also that he will be in serious trouble, as will the Council, if they try to determine the economic integrity of Rockall as part of the United Kingdom?

Mr Andreotti. — *(IT)* I thank the honourable Member for that warning.

President. — As they deal with similar subjects, the following questions will be taken together.

Question No 77, by Mr Seligman (H-465/84):

Subject: European relief agency

In view of the inevitable delays involved in working through a number of relief agencies, will the Council consider the establishment of a Central Community Relief Agency, specially geared to getting agricultural surpluses quickly to emergency localities?

Question No 66, by Mr Andrews (H-388/84):

Subject: Food assistance to hunger-stricken countries

Could the Council tell us why, considering that some of its food productions are in excess, it does not increase its food assistance in favour of populations suffering from starvation?

Mr Andreotti, President-in-Office of the Council. — *(IT)* In replying to the questions by Mr Andrews and Mr Seligman, I would refer to written replies already given by the Council last December to questions put down by Mr Ephremidis and Sir James Scott-Hopkins.

Since the European Council in Dublin estimated at 1.2 million tonnes the total amount of food aid that the Community and its Member States must provide before the next harvest, I should like to fill out the above-mentioned replies by explaining that the Community is currently financing 500 000 tonnes of cereals

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or equivalent products as emergency aid under the terms of the Convention of Lomé and of Article 950 of the 1984 budget.

300 000 tonnes will be provided under the Community's normal food aid programmes for 1985. In addition, 400 000 tonnes are being or will be provided by the Member States, which — the Council is quite convinced of this — will do their utmost to enable this overall objective to be realized.

Mr Seligman (ED). — I think Mr Andrews would say — with the enormous surpluses we have, is 1.2 million very much? But that is not my question. I am asking, does the President-in-Office know how long the interval is between a Council decision to send emergency cereals to Ethiopia and the Sahel and the actual arrival of those cereals at the harbour of Assab? Will the President-in-Office call for an EEC emergency relief agency to be set up which has immediate lien on adequate stocks of cereals allocated to emergency aid, so that the Commission is not caught unprepared in future and does not have to depend on member governments, shipping lines and NGOs to get emergency cereals to the mouths of the starving in time? It is the delay that we want to deal with.

Mr Andreotti. — (IT) The Commission already has the powers to organize these aids as quickly as possible. One really has to ask whether an *ad hoc* agency would serve any purpose or whether the delays could not be better overcome some other way, bearing in mind the experience of certain countries that are capable of very rapidly supplying food aid to the regions in need of it.

It is an open question for the Commission.

Mr Pannella (NI). — (IT) It takes as a rule 416 days from the decision to send cereals to their distribution.

Does not the President-in-Office consider that — as we are trying to do, incidentally, in Italy — some special relief structure along the lines indicated by Mr Seligman is needed, precisely in view of what has been experienced by the Commission and the ten countries of the Community?

Mr Andreotti. — (IT) By way of confirmation of what I said this morning in my statement, the Council must take steps to speed up these procedures in order to give no further grounds for observations such as those made by the Court of Auditors.

The choice of ways and means — whether an agency should be set up or not — is being considered in the appropriate quarters, for, speaking of our own past experience, I recall the many arguments that took place when the official instrument was the Federcon-

sorzi, the Association of Agricultural Cooperatives. After that we thought of setting up a governmental agency, but it does not seem to me that the poor had much benefit from it!

Mr Cryer (S). — Would the President-in-Office not agree that in principle what is wanted is adequate machinery to transfer food from the bulging warehouses of the EEC to the needy peoples of the world, particularly Ethiopia and the Sahel? Can he give this House an assurance that the delay and bureaucratic blundering in the transfer of food which distinguished 1984 will not be repeated and does he not consider that the distribution of food which has resulted in massive surpluses in the EEC and starvation in a significant area of the world is a crime against humanity and that the Council should use its best endeavours to remove that crime?

Mr Andreotti. — (IT) I can assure the questioner that we are studying this problem in conjunction with the Commission. Perhaps one solution that can be applied in an emergency, as is now being done in Italy with regard to Ethiopia, with satisfactory results, is that of asking the military authorities to make their freight transport planes available for delivering this aid.

There is another big problem, that of internal distribution.

The problems are therefore of a technical nature. At all events, whether we look at it from a political or a moral point of view, we have to act quickly, since this food has to be distributed now, not next year.

Mr Pearce (ED). — May I press the President-in-Office to be a little more specific than he has been in his undertakings to review this situation? Will he undertake that before the end of this period of office he will insist that the Commission produce proposals to Council and to Parliament to deal with a whole new system for the purchase and ownership of stocks of grain for their transport by road and by sea to the countries affected, for the correct packaging of such products and for their distribution in the Community? Will the President-in-Office agree to insist that the Commission produces proposals for that during these six months?

Mr Andreotti. — (IT) I will get in touch with the Commission straight away, among other things because it is clear that, if we are to do what I referred to just now — that is, request assistance from the military air-forces —, it will have to go through the national governments. I think it would be a good thing to put questions on this subject to the Commission and not to the Council, since it is the Commission that will have to take decisions.

Mr MacSharry (RDE). — Could I ask the President-in-Office of the Council — and he has replied to a certain extent to what I wanted to ask him — whether, if the limits on food aid that the Council and Commission apparently have set for 1985 prove in the weeks ahead to be insufficient to relieve the starvation in many countries — and some people are suggesting already that they have — we can get a positive assurance from the President-in-Office of the Council that immediate steps will be taken by the Council and the Commission to increase the amounts over and above that which he has already allocated? Many people are suggesting to us — and this Parliament is very concerned about this matter — that the amounts allocated, even though they show substantial increases, may not be sufficient in the medium term.

Mr Andreotti. — (IT) I can assure the questioner that we shall be considering this problem without delay to see what practical possibilities there are of doing more.

President. — Question No 79, by Mr Schwalba-Hoth (H-495/84):

Subject: Torture equipment in Community countries

According to reports in the news magazine *Newsweek* and from Reuters press agency (4 November 1984) the US Department of Commerce has authorized the export of torture equipment (including thumbscrews and spiked clubs) not only to Australia, New Zealand and Japan but also to NATO countries.

Do these NATO countries include any Member States of the European Community (and if so which ones?), what equipment and what quantity is involved and what is its intended use?

Mr Andreotti, President-in-Office of the Council. — (IT) The Council does not have at its disposal the information requested by the honourable Member. As soon as we have data, it is clear that we shall draw the necessary consequences at the political level.

Mr Schwalba-Hoth (ARC). — (DE) Is the President-in-Office prepared, on humanitarian grounds, to make representations to the US Department of Commerce and to the national Defence Ministries with a view to obtaining clarification of this question which comes within the framework of human rights? It is totally unacceptable that the US Department of Commerce should export torture equipment to other countries, such as the NATO countries, Australia, New Zealand and Japan!

Mr Andreotti. — (IT) If I am being asked to establish contacts in order to go into the matter, my reply is in

the affirmative, since there can be no question of limited competence in a matter of this kind.

Mr Habsburg (PPE). — (DE) Is it appropriate to make representations at diplomatic or government level on the basis of a report in a magazine which has recently been discredited for repeatedly publishing false reports?

Mr Andreotti. — (IT) Mr President, I do not think we should make distinctions between good and bad weeklies or dailies.

(Applause from the left)

The publication *Newsweek* is very widely read, and I think it is in the interests of the Americans themselves to deny the report and to make clear that it is not true.

(Applause from the left)

Mr Van der Lek (ARC). — (NL) I should like the Council representative to be a little clearer in his response to the supplementary question by Mr Schwalba-Hoth. He said that when the moment was opportune they would take action. I should like him to tell us that he will indeed seek the information asked for by Mr Schwalba-Hoth to make sure that the story is not true.

Mr Andreotti. — (IT) Here it might be objected that the matter does not strictly fall within our sphere of competence. I do not think this way, because, faced with such a grave allegation involving, among others, countries in which the commission of such crimes would seem to be very strange, I think it is not only our right but also our duty to throw light on the matter.

Mr Welsh (ED). — Are we to understand from Mr Andreotti's answer to this question that he proposes to put on the agenda of the next General Affairs Council the important question of the import of instruments of torture? If so, can he tell us when he will report to the House on the result of the discussion that he has just told us is going to take place in the Council?

Mr Andreotti. — (IT) Without wishing to detract from the importance of the matter, I think that in the General Affairs Council there are much simpler methods than that of entering it on the agenda of a meeting in order to throw light on it and report on it.

Mrs Heinrich (ARC). — (DE) I should like to widen this question by asking whether know-how on torture is being exported from the USA to NATO countries?

Mr Andreotti. — *(IT)* We shall go into this matter too when considering technological improvements.

President. — Question No 80, by Mr Marshall (H-244/84):

Subject: The use of rubber bullets in southern Ireland

In view of the concern expressed by some Members of this House about the use of plastic bullets in Northern Ireland, has the Council discussed the report that the police in southern Ireland have a supply of plastic bullets?

Mr Andreotti, President-in-Office of the Council. — *(IT)* We consider that it does not fall within the competence of the Council to make comments or in any way concern itself with this problem, which, incidentally, concerns one of the countries of the Community.

Mr Marshall (ED). — I welcome the answer of the President-in-Office of the Council that he does not regard this question as being within the competence of the Community. But can I have an assurance that if the Community were ever to be foolish enough to depart from this principle, it would investigate the situation in Southern Ireland as well as that in Northern Ireland?

Mr Andreotti. — *(IT)* This morning it would seem that I bit off almost more than I can chew. If we are to start studying Irish problems as well, especially now that Ireland has assumed and relinquished the presidency, we shall really be putting ourselves in a position of not being able to operate at all. I think we must put a limit on what we are trying to do; otherwise, we shall end by being overwhelmed by the multiplicity of our tasks.

Mr Balfe (S). — Can I thank Mr Marshall for keeping this important issue before the House and ask Mr Andreotti whether he is aware that on a number of occasions Parliament has passed resolutions on this subject which Mr Gorbachov mentioned, in his recent visit to Britain, as constituting a major violation of human rights within the Community. Can I therefore ask Mr Andreotti, does he accord this some priority, as I am sure it will assist in our concern for human rights in the Community?

Mr Andreotti. — *(IT)* This problem was raised at the last part-session, and in the present state of affairs I see no need to take it up again. If there were reasons for doing so, whether directly or in connection with questions of a more general nature, we would see what could be done.

Mr Barrett (RDE). — Is the President-in-Office aware that there is no record of the security forces in

Ireland possessing plastic or rubber bullets? Furthermore, they have never been issued to the security forces. I would remind the Council, therefore, that, unlike the other part of the country, there is absolutely nothing to investigate there.

Mr von der Vring (S). — *(DE)* Mr President-in-Office, I appreciate the fact that, unlike this House, the Council, for practical reasons, sets limits on its activities. Since this topic interests me deeply I should like to know where these limits lie with regard to trade in torture equipment and the internal use of plastic bullets. Did I understand you to say that these would be the subject of negotiation in the Council if they were traded in or exported from the Community?

Mr Andreotti. — *(IT)* In the little time left this sitting, one cannot lay down the precise limits of what should claim our attention or where or when we should deal with it.

It is certainly a serious matter. The fact that I have already answered that we are not, as it were, competent to deal with it does not mean that we intend to neglect the fact that it has been raised. We will see how it can be approached.

Mr McCartin (PPE). — In view of the Minister's reply, would he be concerned if, in fact, rubber bullets and plastic bullets had been used by the security forces in Ireland, if this lethal weapon had been used against defenceless and untried people and if it had resulted in death and serious injury?

Is he aware that all this has happened in a part of Ireland, namely Northern Ireland, and that this has been condemned by a former President-in-Office of the Council, Mr Barry, Minister for Foreign Affairs of the Republic of Ireland, who has pointed out that this weapon has been used without due regard to the regulations governing its use? In other words, its use by an undisciplined and uncontrolled police force has resulted in death and serious injury. Is the President-in-Office concerned about this situation?

Mr Andreotti. — *(IT)* There have been no new developments since this subject was last dealt with in the European Parliament. On that occasion, the Council replied that a certain decision had been taken. We remain firmly by this decision. I therefore quite fail to see what steps we should take now.

Mr Pearce (ED). — Would the President-in-Office join me in reminding Mr Balfe that the vast majority of people in the United Kingdom take the view that if Mr Gorbachev wants to talk about human rights, he should concentrate first and foremost on the appalling human rights situation in his own country?

President. — We come now to questions to the Foreign Ministers.

Question No 100, by Mr Ephremidis (H-335/84):

Subject: Respect of post-war frontiers in Europe and, in general, of the Helsinki Final Act

In the light of the West German Government's reaction — also in the Council of Ministers — to the statements made by Mr Andreotti, would the Ministers state whether all the Member States of the Community respect the post-war frontiers in Europe and, in general, the Helsinki Final Act?

Mr Andreotti, President-in-Office of the Ministers of Foreign Affairs. — (IT) The Ten have constantly reaffirmed their obligation to respect the Final Act of Helsinki, which furnishes a framework of reference for the conduct and development of relations among the 35 countries which are taking part in the CSCE process. This obligation concerns all the provisions of the Final Act, including that which states that the participating States (and I quote)

... consider that their frontiers can be changed, in accordance with international law, by peaceful means and by agreement.

Also the principle:

The participating States regard as inviolable all one another's frontiers as well as the frontiers of all States in Europe and therefore they will refrain now and in the future from assaulting these frontiers.

Mr Ephremidis (COM). — (GR) The President of the Council has certainly given a satisfactory reply, just as the statement he made provoking my question was for its part very correct. However, I must put a supplementary question to him. Is it or is it not true that during the meeting of the Council in political cooperation Mr Andreotti was criticized for the statement he had made? If he was subjected to this criticism it means that members of the Council are not honouring the spirit of the Helsinki Final Act he himself referred to.

Mr Andreotti. — (IT) The answer I have just given is, as is the rule with answers concerning political cooperation, based on a text agreed within the framework of political cooperation. Apart from that, this is a matter extraneous to the field of activities of the Minister of Foreign Affairs and of the Council of Ministers.

Mr Ulburghs (NI). — (NL) Do you not feel that in order to breathe new life into the spirit of Helsinki, appropriate acts of peace are perhaps more important than endless negotiations? Why not propose the desig-

nation of a nuclear-free zone, both in Western and in Eastern Europe? As regards Western Europe I have in mind Belgium, my own country, where according to the opinion polls the majority are against the siting of rockets. In Eastern Europe one might perhaps mention Bulgaria, where peace movements are very active.

Mr Andreotti. — (IT) I should like to say in reply that problems of defence are not, in fact, among the subjects of political cooperation. However, since you began by asking me a question, I shall begin by answering it. I think that in the very difficult year that 1984 was, we and other countries did what was our duty in attempting to restore balance to a situation — here I am referring to the situation as regards missiles in Europe — that was extremely unbalanced. This has contributed much more to the reanimation of relations between the USA and the USSR than temporizing or failing to take a decision would have done. The subject of nuclear-free zones is, however, a much bigger one, because, among other things, everyone wants a nuclear-free zone. What we have to work for is rather the reduction of armaments, disarmament in general, not the creation of oases which, moreover, from the technical point of view would not be safe oases either.

Mr Gerontopoulos (PPE). — (GR) I should like to ask the Minister whether the Council of Foreign Ministers has discussed the question of adherence to the Helsinki agreements by the Eastern bloc countries, specifically by the Soviet Union. We have the following facts. Violations one after another of the national space of the Scandinavian countries by Soviet submarines and, of late, by the Soviet Cruise-type missile. The open interference in the internal affairs of the Eastern European countries such as, for example, the Jaruzelski coup and the cancellation of the Honneger visit to West Germany. The constant jamming of radio broadcasts. The way in which it impedes the free circulation of written matter and the free movement of people wishing to leave or visit its territory.

I should like to ask the Minister how the Council has reacted in the past and how it intends to react in the future to cases of violation by the Soviets of the spirit and the letter of the Helsinki agreements.

Mr Andreotti. — (IT) As a follow-up to Helsinki and, more recently, to Madrid, there have been a number of initiatives, of which the most pertinent are that of Stockholm, the Conference on the further reduction of armaments, and a number of confidence-building measures. A number of other meetings are planned on human rights and other questions concerning the CSCE as a whole. We, as a Community, make a point of maintaining mutual consultations and presenting ourselves as far as possible as a united body speaking with a single voice. I am able to say that in the summer of this year, by way of reviewing the ten years since the Final Act of Helsinki, we have proposed — in

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another place, but with the agreement of all of us — the holding of a solemn celebration at the appropriate level, at which the essential item will be to take stock of the various 'baskets' to see what has been done and what has not been done in order to be able to find more consistent attitudes to adopt. I think this will be the occasion for us, as a Council, to take up the matter and arrive at a common evaluation.

President. — As the author is not present, Question No 101 will be answered in writing.¹

At the author's request, Question No 102 has been withdrawn.

Question No 103, by Mr Van Miert (H-410/84):

Subject: Economic cooperation with Libya

On 16 May 1984 the BLEU and Libya initialled a framework agreement on technical and economic cooperation. From 14 to 17 May 1984 negotiations were also held between the two parties on a draft cooperation agreement in the nuclear field. In practical terms this agreement concerns the construction in Libya of two 440 MU nuclear power stations.

On 23 October 1984 the Belgian Minister for Economic Affairs, Mr Eyskens, stated in the Chamber of Representatives that the Belgian Ministers for Foreign Relations would contact all other European countries that might be interested in the realization of such a project in Libya, so that a joint position might be adopted.

What attitude do the Foreign Ministers intend to adopt with regard to such economic cooperation with Libya?

Mr Andreotti, President-in-Office of the Ministers of Foreign Affairs. — (IT) The Ten have not discussed this question within the framework of political cooperation. Some of our countries maintain relations of different kinds with which we are all familiar, but since it is my job here to give answers on the work of European political cooperation, we have not dealt with this in that framework.

Mr Van Miert (S). — (NL) This answer surprises me because on more than one occasion in the Belgian Parliament it has clearly been suggested that the Belgian Foreign Minister, Mr Tindemans, is to have contacts with all his colleagues on this extremely difficult point. On the American side there is a clear objection to the delivery of nuclear plants to Libya whose Head of State, as everyone knows, is pretty crazy and liable to do dangerous things. Might I ask the President-in-Office of the Council what is his opinion in respect of

the possible delivery of nuclear plants to Libya by a country like Belgium and whether he considers this proper? I can assure him that on our side we do not consider it proper.

(Applause)

Mr Andreotti. — (IT) I repeat that we have not dealt with this matter in political cooperation, nor have I, bilaterally, dealt with the question of this power-station. As for my own views on the matter, since I am here to answer not on my own behalf but on that of the Council of Ministers, I will say that I have no views on the question inasmuch as we have not discussed it.

Mr Balfe (S). — Will the Foreign Ministers accept that it is wish of the Libyan Government to have closer relations with the European Economic Community, being the only major Arab nation on the Mediterranean without such relations and that it will act positively to build on the good that exists and to try and foster closer relations, which are essential if we are to observe peace in the Mediterranean?

Mr Andreotti. — (IT) I think that, as with the case of other countries, the Commission can go more deeply into the question of these contacts. Generally speaking, I certainly consider that isolation is of no use to anyone. I repeat, however, that we in the Council have not examined this problem, and if one day the Parliament should wish to go into it then we shall have to examine it thoroughly — not like this, in passing — on the basis of a report concerning a particular case of orders placed between Belgium and Libya.

Mr Pannella (NI). — (IT) Does the President-in-Office really consider it necessary for the Parliament to make a formal act of asking the Council? Could he not instead assure the Parliament, as from now, for its information, that he will go into the matter anyway?

Mr Andreotti. — (IT) The matter can be gone into if the Belgian Government asks us to do so — that is, asks for our opinion. For the moment, I repeat, the Ministers have not been informed.

The more general question of relations with Libya is, in my view, a problem that will have to be dealt with — but in depth, not just in passing during Question Time. I do not think this means showing a lack of respect for anyone. I should be showing a want of regard for the Council if I came here to talk about a matter the elements of which were unfamiliar to me and which we had not discussed in the framework of political cooperation.

Mr Chanterie (PPE). — (NL) Like Mr Van Miert, I am surprised at the answer given by the President-in-

¹ See Annex of 16. 1. 1985.

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Office of the Council, since I well remember that this matter — according, at least, to *Agence Europe* — was on the agenda of a meeting of Foreign Ministers. This was not so long ago. It was in that connection that I put a question similar to Mr Van Miert's. We are entitled to some clarification here. It has undoubtedly been discussed and therefore the Minister's answer cannot be wholly correct.

Mr Andreotti. — (IT) I have the greatest respect for agencies of whatever kind, but I also have regard for what is known to me directly. I repeat that there has been no talk of this.

Mr de la Malène (RDE). — (FR) The President-in-Office of the Council tells us — and we naturally believe him — that this matter has not been dealt with in the sphere of cooperation. This I regret. However, in view of the concern that this question raises on all sides of this House, does the President-in-Office both of the Council and of the Foreign Ministers not feel that he could take the initiative of putting this question on the agenda, either for the Foreign Ministers or for the Council, and not wait until he is informed by some other means?

Mr Andreotti. — (IT) I do not know what is the practice usually followed here nowadays in the sense that when a question or even a supplementary question is put, it automatically has to become a subject of close study for the Council or the Commission. If that is so, it is, indeed, rather a dangerous principle. I therefore think it would have to be formalized in an agenda, in a document representing the point of view of Parliament and not merely the point of view, however authoritative, of an individual. Otherwise, I can see no limit to the number of subjects that the Council would have to examine, whether in the framework of political cooperation or otherwise.

President. — As the author is not present, Question No 104 will be answered in writing.¹

Question No 105, by Mr Romeo (H-471/84):

Subject: Coordination between the WEU and the European Community

The meeting of the WEU Council of Ministers, held in Rome on 26 and 27 October on the occasion of the 30th anniversary of the Brussels Treaty, adopted important decisions with a view to bringing new impetus to the political action and other activities of this international organization, to which seven Member States of the European Community belong.

The President of the WEU Parliamentary Assembly subsequently declared that in his opinion, these initiatives were complementary to those undertaken by the other European institutions, inasmuch as 'they all had one final aim, that of building a European Union in which the defence aspect, like the economic aspect would have its place.' When it adopted the Fergusson report in October 1983, the European Parliament called for greater coordination at Community level in arms procurement policies.

Have the Ministers considered the implications that these developments might have for the further stages of Community integration as it progresses towards the European Union? If so, can they state what measures they intend to take in order to guarantee effective coordination between the WEU and the Community, especially in sectors of economic and technological importance such as industrial policy and arms procurement, as requested by Parliament in the Fergusson report?

Mr Andreotti, President-in-Office of the Ministers of Foreign Affairs. — (IT) Within the framework of European political cooperation, there is no talk either of development or of relations with Western European Union. We know that the Ten, as such, do not take up any position in discussions of WEU.

If, on another plane of thought, for the sake of a political debate which is of interest to us all, it is asked along what lines the WEU might develop or be brought up to date, this subject should be raised in a document specifically requesting it. I should add that we individually, as Ministers, do concern ourselves with this within the WEU, but as a Community we have not dealt with these problems.

Mr Di Bartolomei (L). — (IT) Perhaps this, too, is a reply that must be reconsidered by the Italian presidency, because this subject has been referred to in the solemn declaration of Stuttgart and also in the Fergusson report of this Parliament. Does the Council of Ministers consider that decisions taken in this sphere by seven of the countries of the Community are of no concern to the other three or to this Parliament?

Mr Andreotti. — (IT) Some decisions certainly have their implications, but we cannot concern ourselves with WEU here directly. We can deal with it in general terms, but outside the framework of the political consultations that are proper to this institution. In practice, however, there has been nothing of this kind in this connection.

Mr Elliott (S). — Is the President-in-Office aware that many Members of this Parliament are profoundly concerned about the re-emergence of the Western

¹ See Annex of 16. 1. 1985.

Elliott

European Union because it may lead to a further proliferation of nuclear weapons and nuclear bases in Europe?

Is he also aware that the Fergusson report referred to in the question may not now be the view of the newly elected Parliament? In fact, the author of this report, Mr Fergusson, is no longer a Member of this Parliament because he was defeated in the election by one of my colleagues. Does the President-in-Office appreciate that we have different views now? I hope that those will be taken into account.

Mr Andreotti. — (IT) If a debate is required on this particular subject, then it will have to be on the basis of an appropriate document. Incidentally, having attended meetings of WEU, in Rome and elsewhere, I can say that there is no spectre of any threat to anyone. This is my own personal assessment, not the fruit of any joint experience.

Sir Peter Vanneck (ED). — Is the President-in-Office aware that if we were to take as a precedent that all resolutions by previous Parliaments are null and void on the election of a further Parliament, we should get absolutely nowhere in our deliberations? Is he aware that the Fergusson report is simply calling for greater coordination in arms procurement and not for proliferation of nuclear weapons?

Furthermore, now that we have a defence subcommittee of the Political Affairs Committee in this Parliament, would he be prepared to talk to his fellow-Ministers about the possibility of Members of this Parlia-

ment acquiring some similar status, *pro rata*, in Western European Union as members of national parliaments have at the moment?

Mr Andreotti. — (IT) I can say that, as you know, three EEC countries do not form part of WEU: Denmark, Greece and Ireland. What is more, Ireland is a neutral country, and not everyone in the Council of Ministers agrees to our dealing with questions of WEU.

Mr Pannella (NI). — (IT) Would it be very indiscreet of me to ask the President-in-Office when this disagreement made itself manifest, since I thought he said that there was no agreement in the Council on this subject? On what occasion was this subject discussed and what were the reasons for the disagreement? I think it is very important for us to know this.

Mr Andreotti. — (IT) I would say in reply to Mr Pannella that Ireland has stipulated that the Council should not discuss problems relating to defence. This is a formal and politically insuperable obstacle.

President. — Question Time is concluded.¹

I have been asked to draw your attention to the fact that there is a concert this evening by the European Youth Orchestra. Perhaps, as this is Music Year, Members would like to attend it.

(The sitting was closed at 7.55 p.m.)²

¹ See Annex of 16. 1. 85.

² Agenda for next sitting: See Minutes.

ANNEX

I. Questions to the Commission

Question No 8, by Mr Fanton (H-355/84)

Subject: Payment period for intervention buying-in of colza and sunflower seed

In view of the Commission's surprising decision to extend to 120-140 days the payment period for intervention buying-in of colza and sunflower seed, can the Commission explain the reasoning behind this attempt to discourage colza and sunflower seed producers at a time when European agriculture is still deficient in protein plants which it imports at great expense.

Answer

It is true that the Commission decided to extend the time-limit for payment for rape seed and sunflower seed offered for intervention, with effect from 15 September 1984.

However, this measure is designed merely to align the provisions applicable to oilseeds to those applicable to other agricultural products eligible for intervention schemes.

Under these circumstances, the Commission takes the view that the measure in question does not, as the honourable Member seems to think, have the effect of discouraging oilseed production: like the measures applicable to other products, its sole purpose is to deter producers from offering excessive quantities for intervention.

It should also be noted that production of rape seed and sunflower seed in the Community has increased substantially in the past five years: from 1.4 million to 4.5 million tonnes. This represents an annual growth of 23% for rape and 38% for sunflower.

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Question No 9, by Mr Andrews (H-362/84)

Subject: New technologies in the textile industry

What progress is the Commission making in devising a programme to explore the possibilities of employing new technologies and computing in all sectors of the textile industry, including garment manufacturing?

Answer

The Commission shares the honourable Member's view that new technologies, particularly information technology, not only form a new industrial sector of their own but must above all be examined with a view to the possibilities of applying them in 'traditional' industries.

To this end and as an extension of a four-year textile research programme which finished at the end of 1984, the Commission forwarded to the Council of Ministers in June 1983 a European Community research and development programme for basic industrial research. This programme, known as Brite, provides for aid over a period of four years for research and development projects on the application of new technologies in, for example, the textile and clothing industry and other industries, and is part of the 'industrial research trilogy' of Esprit, Biotechnology and Brite.

On 18 November 1983 the programme was approved by the European Parliament, and European industry has shown considerable interest in it.

At its meeting on 19 December 1984, the Council of Research Ministers approved the Commission proposal in principle. A formal Council decision is due to be taken in the next few weeks.

In any case, in order to lose no time in getting the programme off the ground, the Commission will begin immediately to ask industry to submit projects.

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Question No 11, by Mrs Anglade (H-391/84)

Subject: Problem of employment in the Community

What practical action has the Commission taken on the resolution adopted at the special part-session of 27 and 28 April 1983 on the problem of employment in the Community?

Answer

The European Parliament is aware from various statements made by the Commission in this House that the Commission attaches particular importance to overcoming the problem of unemployment. I would remind you that as long ago as 1982 the Council adopted a Resolution proposed by the Commission on 'Community action to combat unemployment'. The strategy developed for this purpose is based on the realization that macro-economic measures alone are not sufficient to tackle the problem of unemployment effectively, and that additional measures are needed to solve above all the problems of the social groups which are hardest hit by unemployment.

The Commission is convinced that the best way of trying to achieve the objectives set out by Parliament in its resolutions of 27 and 28 April is to continue with this strategy.

In the wake of these developments the Commission has since issued a number of communications on matters listed in its action programme, in particular:

- investment in the public and private sectors,
- youth unemployment,
- the problems of industrial restructuring,
- the reduction and re-organization of working hours,
- the role of local employment initiatives,
- unemployment affecting women,
- long-term unemployment.

The Commission is convinced that the proposals contained in these communications can contribute effectively to reducing unemployment in the Community, on condition, however, that such measures are the subject of joint efforts by all the Member States. Some of these communications have already been adopted by the Council as resolutions (youth unemployment, local employment initiatives, unemployment affecting women, and long-term unemployment), so that it is now mainly up to the Member States to implement the proposals drawn up by the Commission. The Commission itself is engaged, in particular, in preparing initiatives to combat youth unemployment and to promote local self-help organizations.

The Commission proposal for a Council recommendation on the reduction and re-organization of working hours was adopted, in a slightly amended form, by nine Member States at the meeting of 7 June 1984; unfortunately it has not yet proved possible to obtain the agreement of *all* the Member States.

To sum up, I should like to state the following.

- The Commission is keenly aware of the social and macro-economic dimension of the problems relating to employment in the Community. It therefore takes very seriously the resolutions on this matter adopted by Parliament in April 1984, and the distribution of Commission portfolios, of which you are aware, may be taken as a signal in this direction.
- It is the Commission's aim to propose measures which will actually be effective in tackling the problem, and I think that the Commission now has the chance to do so. But I am sure you will appreciate, especially at this present time, that the only way to prepare the ground for such effective measures is a swift yet thorough discussion within the Commission. As soon as this discussion is over, I shall be able to provide you with more detailed information on the Commission's specific plan of action.

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Question No 12, by Mr Guermeur (H-393/84)

Subject: Telephone charge rates in the EEC

Does the Commission not believe that a uniform Community rate should be proposed for the charge unit for telephone calls within the Community, and that the substantial increases in the cost of the telephone charge unit recently stipulated by the French Government — which have no precedent in the Community and are a covert form of tax — are liable to thwart all progress towards the harmonization of telephone rates at Community level?

Answer

The harmonization of telephone charges within the Community has progressed since 1977. The Commission takes the view that further progress must be made — in particular, that pricing policy should be agreed in advance.

However, it must be taken into account that the rates currently charged in the Member States have developed from different historical backgrounds depending on the various objectives embodied in national legislation.

Any policy seeking to harmonize telephone charges in the Community must therefore take account of these differences and aim to achieve convergence over a fairly long period by means of gradual measures.

Therefore, as regards the recent increases in certain telephone charges in France, these must be seen in both the national and the EEC context. Although the increases were considerable, French charges for international calls within the Community currently correspond to the EEC average. It cannot therefore be assumed that they will stand in the way of further progress towards the harmonization of telephone charges within the Community.

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Question No 14, by Mrs Lizin (H-414/84)

Subject: US negotiations on European pipe exports

Can the Commission give an account of the current situation: what different negotiating positions are involved, what deadline has been fixed for an agreement, and what types of pipe will remain unaffected by the restrictions?

Answer

On 13 December last, during the emergency debate by Parliament, Mr Narjes set out for you in detail the background to this case and our position. We are grateful to the European Parliament for the resolution which it adopted on that day. This resolution doubtless helped to ensure that negotiations between the United States and the Commission were resumed. Since your last debate, indeed, events have proceeded apace. On 17 December the meeting of the GATT Special Council, which we had requested, took place. At that meeting we clearly expressed our desire to introduce retaliatory measures if a satisfactory solution were not found quickly. As you know, we have always told the Americans that we wanted to resume negotiations on the basis of the agreement reached *ad referendum* on 17/18 November. After this GATT session, bilateral contacts were renewed. Following these contacts, the Council — on 29 December — gave a new mandate for negotiations to the Commission, which permitted us to find an agreement with the United States on 5 January along the following lines:

Community exports of pipes are limited in 1985 and 1986 to 7.6% of United States apparent consumption. (This is the same restriction already agreed on 17/18 November.)

A short supply clause is included without limitation on quantities.

A sub-quota of 10% for special pipes for oil drilling (OCTG) is included.

The same flexibility clauses as those for the carbon-steel arrangement are provided for (carry over, etc.).

In addition, an agreement has been obtained concerning December 1984 deliveries after the closure of American frontiers on 29 November. The Community will be authorized to export to the United States a quantity equivalent to 1/12th of 7.6% (i.e. 60 000 tonnes). The products coming under the short-supply clause could be added to this. For quantities exceeding this volume, consultations will be undertaken with the United States. The arrangement is concluded in the form of an exchange of letters and Council regulations, necessary for the approval and management of the arrangement and have just been adopted by the Council.

The Commission is satisfied that, in particularly difficult conditions and at the last minute, an acceptable solution for the Community's steel industry has been found.

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Question No 16, by Mr de la Malène (H-452/84)

Subject: Classification of natural sweet wines

Bearing in mind that in 1979, after 10 years of constant representations, the Commission recognized the special character of natural sweet wines, can it confirm that these wines fully retain their specific characteristics as wines, in particular with regard to taxation, and that therefore any attempt to tax natural sweet wines at the same rates as spirituous beverages would not only be erroneous but also improper?

Answer

'Vins doux naturels' fall to be classified as liqueur wines and for the purpose of excise duties the Commission has always considered that they should be grouped with other fortified wines. In the Commission's view these and other intermediate strength products should be taxed on a special basis and at a special rate. It will shortly be bringing forward a new proposal defining the scope and the structure of excise duties to be applied to these products and establishing a relationship as regards the applicable rates with the full rate for alcohol.

Under the Commission proposal France would be able to maintain the special tax treatment applied to 'Vins doux naturels' on condition that the same treatment is granted to similar liqueur wines produced in the Member States.

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Question No 29, by Mr Maffre-Baugé (H-556/84)¹

Subject: The need to improve market organization in the fisheries sector

The common organization of markets in the fisheries sector has created distortion of competition between fishermen and failed to provide adequate protection against imports. Is the Commission prepared to propose improvements aimed at varying the withdrawal price in accordance with the treatment of the product (processing or immediate marketing), applying the withdrawal price to all species which are subject to quotas and strengthening the protection of the Community market against imports?

Answer

1. When the common organization of markets in the fisheries sector of 1981 was reviewed, suitable instruments were instituted to guarantee more effective protection of the Community market against low-price imports from third countries. On several occasions, and at the request of particular Member States, the Commission has decided to draw up protective measures against imports from third countries which distort or threaten to distort the Community market.

The Commission draws the attention of honourable Members to the fact that the effectiveness of the system to protect the Community market is also conditioned by the degree of regularity and quality of information transmitted by Member States to the Commission as part of their statutory obligations.

2. The idea of varying the withdrawal price for fresh products according to their destination, as has been proposed by the honourable Members, would lead to a division in the market of fresh products and would give rise to considerable problems of supervision. Indeed, all unloaded fresh products are sold mainly by auction without having been differentiated previously according to their final destination. What is more, it is not uncommon for the processing or wholesale trade to buy fresh products ultimately destined either for processing or for marketing depending on the requirements of these industries.

3. The common organization of markets aims to stabilize markets and especially prices whereas the policy of resources guarantees stocks. The Commission stresses that because of these different objectives, all species subjected to the TAC regime and quotas cannot automatically be included in the scheme of prices under market organization. Given this perspective, the Commission refused to include in the prices scheme in particular certain luxury products or mass products less adapted to marketing in view of their human consumption, even if these products were subjected to TACs and quotas.

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Question No 30, by Mrs Van Hemeldonck (H-417/84)²

Subject: The abolition of withholding tax on personal assets

In connection with the abolition by the Federal Republic of Germany and France, for non-residents, of the withholding tax on interest payments, can the Commission answer the following questions:

¹ Former oral question with debate (0-54/84) converted into a question for Question Time.

² Former oral question without debate (0-55/84), converted into a question for Question Time.

- Will this operation produce short and medium term benefits for the currencies of the EMS?
- Will this competition on the part of Member States to provide better terms not ultimately result in a reduction of the tax revenue of all the Member States?
- Does the Commission believe it is possible to speak of a concerted Community action if only two of the Member States carry it out while the system of withholding tax is retained in other Member States?
- Are there no other ways of stopping the dollar gaining strength from the flight of capital which mainly originates from tax havens?

Answer

— There is no doubt that the measure adopted by the French and German authorities is such as to strengthen the French franc and the German mark. Although it is difficult to say how strong the impact will be it is likely to be modest: indeed, the abolition of the withholding tax in France and Germany may be regarded as a defensive measure following the decision of the US authorities in July 1984 to discontinue the withholding tax on US securities purchased by non-residents.

— According to the Commission's information, the abolition of this tax will not lead to a very substantial loss of tax revenue. This has been estimated at about DM 200 million in Germany, and less in France. It may well be offset by a reduction in interest rates on public debt securities. If withholding tax were abolished in the Member States where it is still levied, tax revenue would, of course, fall there too.

— At present, however, non-residents pay withholding tax in practice only in Ireland, the United Kingdom, and, to a much lesser extent, in Italy. The tax arrangements applied to securities purchased by non-residents are often governed by exchange-rate considerations. There is no doubt that it would be desirable for such arrangements to be devised and amended in a coordinated way at Community level.

— The considerations can certainly affect international capital movements. However, the decisive influences on capital movements are interest-rate differentials, exchange-rate expectations and political considerations in the broad sense. A concerted rise in European interest rates might help to attenuate the rise in the dollar, but could well hamper the economic recovery.

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Question No 32, by Mr Pearce (H-531/84)¹

Subject: Imminent legislation in the Federal Republic of Germany in the area of automobile emissions and fuel supplies

Whilst aware of the rightful concern of the FRG to protect the environment and the natural resources of the Community from unnecessary and provenly harmful industrial and vehicular emissions, is the Commission satisfied on technical, legal and economic grounds that the legislative course of action proposed by the FRG is in fact likely to lead to the state of affairs anticipated by its authors?

1. What is the Commission's reaction to the assertion by the FRG that US 1983 emission standards should be implemented throughout the Community by 1989 and is this assertion consistent with the Commission's proposals as submitted to Parliament?
2. Is the Commission considering making representations to the FRG drawing its attention to the manifest contradictions between its proposed legislation and the Federal Republic's Treaty obligations?

¹ Former oral question without debate (0-56/84) converted into a question for Question Time.

3. What does the Commission propose to do about the legislative proposals which intrinsically prejudice the development of fuel and emission efficient engines in favour of a particular industrial process which has in fact been rejected on economic grounds by millions of vehicle owners in the United States, the source of this legislation?
4. What evidence does the Commission have to suggest that the adoption of the proposed FRG legislation will meet Community objectives of ensuring the maximum fuel economy both at refinery and retail pump?
5. Has the Commission received legal opinion on the likely consequences of any attempt by the FRG to rely on Article 36 to avoid its obligations under Article 30 in respect of the free circulation of vehicles with valid European Community type certification?
6. Has the Commission received legal opinion on the likely consequences of the proposed vehicle tax concessions envisaged under the draft FRG legislation in respect of Article 92?

Answer

The Commission was informed by the German Government on 20 September 1984 of a decision regarding the introduction of ecologically acceptable cars. The Commission has been studying the implications of legislation by the German government on the lines proposed. We have not yet received the complete texts of all the proposed laws and regulations and it has not therefore been possible to complete a detailed legal assessment of the consequences of the German Government's action on Community law. It is not the Commission's function to say whether such legislation would fulfil the objectives of the national government concerned.

It is not possible at this stage to state what action, if any, the Commission will take, although it intends to insist on the full respect of Council Directive 83/189. The Commission understands that the German Government is itself examining ways to find a Community-wide solution to the problem.

More generally, the Commission will, of course, also be taking into account the opinion of the Parliament as expressed in the Sherlock report in this important area and the results of the current discussions within the Council high level group.

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Question No 35, by Mr Adam (H-372/84)

Subject: White fish by-catches

In relation to the Norway Pout fishery, new proposals on policing and sampling were promised when the by-catch was increased to 18%. When will the Commission publish its proposals?

Answer

Concerning sampling, a proposal for a Commission regulation specifying the method for determining the percentage by-catch was the subject of a positive opinion from the Management Committee for Fishery Resources on 23 November 1984, following consultations with the Member States and a preparatory meeting. The Commission adopted this regulation on 6 December 1984.¹

¹ Date of expiry of accelerated written procedure.

The Commission did not undertake to present new proposals on policing. However, the Commission will pay particular attention to the correct application of the sampling regulation.

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Question No 36, by Mr Cassidy (H-525/84)¹

Subject: The internal market

It was reported in the *Financial Times* on Friday 19 October, that at a recent conference in London a European economist reported that a new invention could be put on the United States market with final approval in a few weeks at a cost of US\$2 000, but that to put the same invention on the market in Europe could take more than a year and would cost more than US\$200 000.

Is the Commission aware of the difficulties and additional costs in the way of launching new technological products on to the European market?

If so, what action does it propose to Member States to bring costs down to a level comparable to those in the USA?

Answer

The article in question refers to the costs involved in putting a new invention on the market and to the time this takes. Two separate aspects must be considered: if the patent office and lawyer's costs incurred in the USA between the *patent application* and the end of the patent's legal lifetime are compared with those in the EEC countries as a whole (equivalent economic area), the resulting ratio is approximately 1:10 in favour of the USA. If it is these costs which were meant, a ratio of \$3 000 to \$30 000 would be more realistic than the ratio of \$2 000 to \$200 000 quoted in the *Financial Times* article. Even this is a considerable cost difference to the disadvantage of the EEC economic area, but it would disappear if the Member States (Denmark, Greece and Ireland) which have not yet ratified the European Patent Convention (OJ, Vol. 19, No L 17, of 26 January 1976) would at last do so.

Once this Convention comes into force, patent protection for the whole of the EEC could be achieved by means of a single legal act.

Besides patent costs, account must of course be taken of a whole range of additional costs which are incurred if there is to be further technical development of an invention, if the product in question has to be adapted to any national standards, and if there is to be advertising. It is likely that these costs are higher in the USA than the \$2 000 referred to. They depend to a large extent on the type of product. But even without precise figures it can be stated that the fragmentation of the European market and language problems put Community firms at a disadvantage. The Community initiatives to achieve the internal market and to promote industrial innovation can help to reduce the existing gap.

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Question No 37, by Mrs De March (H-557/84)²

Subject: Threats to agricultural produce for export to the United States

The American Congress has just adopted a bill on foreign trade (omnibus trade bill) empowering the United States to impose restrictions on imports of agricultural produce, especially in the wine sector.

¹ Former oral question without debate (0-63/84) converted into a question for Question Time.

² Former oral question with debate (0-64/84) converted into a question for Question Time.

Does the Commission intend to make representations to the United States so that they abide by their international obligations and to prepare immediate retaliatory measures as soon as this law is applied?

Answer

On several occasions already, the Commission has expressed its concern at the adoption — under the United States 1984 Trade Act — of measures with a protectionist purpose regarding wine. In particular, it has made use of procedures to regulate GATT disputes with regard to specific changes to wine and other grape products, United States legislation applicable to anti-dumping duties and countervailing duties, all of which are contrary to the relevant GATT provisions.

If the action of the United States is acknowledged illegal and harmful and the measures under dispute are not repealed or some other acceptable solution found, this procedure would enable the Community to take appropriate counter measures such as the suspension of favourable conditions which certain United States products benefit from when exported to the Community, while it is understood that any counter measure of this type will be implemented in full cognizance of our international obligations.

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Question No 38, by Mr Hughes (H-406/84)

Subject: Safeguarding of human rights and civil liberties within the European Community

Would the Commission agree that any deliberate violation or erosion of human rights and civil liberties by a Member State government would be a matter of grave importance worthy of urgent investigation?

Answer

The Commission has already given an opinion on this subject when replying to written question No 440/84. On that occasion, the Commission pointed out that, among other things, should a Member State violate a basic right in a specific case, the Commission could only intervene if such a violation flouted at the same time and in itself a specific provision of Community law.

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Question No 39, by Mrs Van den Heuvel (H-413/84)

Subject: Discrimination against homosexuals

Which of the proposals made by the European Parliament in its resolution of 13 March 1984 on sexual discrimination at the workplace have been implemented by the Commission and when will it report to the European Parliament on the results of its action to combat sexual discrimination at work?

Answer

The Commission feels that the private life, which includes sexuality, ought to be characterized as an inadmissible reason for dismissals, since the interference in the private lives of workers within the scope of the Treaty is unacceptable in principle.

With regard to discrimination in hiring and working conditions the Commission re-affirms that it is unacceptable that homosexuals or indeed any group of persons defined on the basis of their sexual orientation should be refused employment or suffer victimization or harassment at work. However, the Commission does not see a further measure which would be based on Article 235 of the EEC Treaty being acceptable to the Council in the foreseeable future. In view of the financial situation and the priorities of the Commission it has not been possible to undertake any activities or studies in this area.

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Question No 41, by Mr Vandemeulebroucke (H-461/84)

Subject: Sales of fresh Community butter to third countries

In view of the fact that a dealer seeking to buy 10 000 000 kg of fresh butter for the Middle East at a price of + Bfrs 77 is unable to buy butter at this price, and given that large quantities of butter are sold off at special cut rates after six months, although they have incurred high storage costs during this period, is it not as plain as a pikestaff that it must be possible to sell fresh Community butter to third countries at a fair price, naturally with a certificate of final destination, particularly as this would result in an enormous direct saving for the Community?

Answer

In reply to the question by the honourable Member, Mr Vandemeulebroucke, I can state that when butter is exported a refund of 1 252.30 Ecu/tonne is awarded. It is true that intervention butter which has been in storage for at least six months (and which can in fact be eight months old because butter can be offered to the intervention office up to two months after its manufacturing date) is sold for approximately 24 Ecu/100 kg below the market price for fresh butter, given that importing countries are not prepared to pay the price of fresh butter for butter which is more than three months old.

This sale of public stored butter is carried out during the winter months when the production of fresh butter is relatively low.

In order to bring the price of fresh butter for export to a level of 77 Belgian francs per kilo, as stated by the honourable Member, the refund would have to be increased by about 24 Ecu/100 kg.

Experience in the past has shown that an increase in refunds is immediately followed by a drop in the sales prices of other exporting countries, which jeopardizes the price level of other milk products such as, for instance, cheeses, condensed milk, whole milk powder, fresh milk and cream, sales of which are still highly satisfactory with the current refund.

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Question No 42, by Mrs Crawley (H-463/84)

Subject: EEC intervention stores in the West Midlands

Would the Commission release the addresses of the EEC intervention stores in the West Midlands, UK? If it will not, why not?

Answer

The Commission would draw the attention of the honourable Member to the fact that there are no 'EEC intervention stores' as such, and that the storage facilities rented by the

intervention agencies will change considerably (and sometimes rapidly) according to the time of year, the state of the markets, and the natural factors affecting the levels of production. Stores which hold intervention produce normally are also used simultaneously for ordinary private commercial storage operations.

A decentralized system of management is appropriate, given this variable nature of storage requirements. In consequence, the relevant regulations place responsibility for storage of agricultural produce on the national authorities. In its own day-to-day management of the markets, the Commission normally does not need to know the addresses of the storage facilities used for intervention products.

The quickest and easiest way for the honourable Member to obtain the desired information would therefore be for her to make direct contact with the Intervention Board for Agricultural Produce, whose headquarters is located at Fountain House, 2 West Mall, Reading.

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Question No 43, by Mrs Castle (H-469/84)

Subject: Exclusive purchasing agreements

Has the Commission studied the evidence I have sent it on behalf of the National Union of Licensed Victuallers showing that some brewers in Britain are changing their tenancy agreements to the detriment of tenants as a result of Regulation No 1984/83 or are imposing rent supplements as the price of the tenant's total release from wine and spirits ties. Does the Commission agree that these changes are contrary to the intentions of Regulation No 1984/83 and what steps is it prepared to take against the brewers concerned if names and addresses are supplied?

Answer

The Commission has studied the evidence you sent it concerning actions taken by brewers following the coming into force of Regulation No 1984/83.¹ It has also received a visit from the UK National Union of Licensed Victuallers. The problems raised are receiving active consideration.

The problem specifically mentioned in your question concerned the increasing of rents and the imposition of other financial obligations in return for the loosening of the tie. As Mr Andriessen stated in reply to your Oral Question H-271/84 on 24 October 1984, the Commission cannot as a general principle and in the context of the competition rules of the EEC Treaty, interfere with the contractual freedom of parties to negotiate the terms of their tenancy agreements, such as prices, rent and other charges. However, where less favourable conditions are imposed on tenants in order to punish them for having used or threatened to use the freedom which Regulation (EEC) No 1984/83 gives them to obtain certain goods and services also from third parties, such behaviour would have to be considered as illegal under Article 8 (1) b and Article 8 (2) b of the above regulation and give rise to appropriate measures by the Commission.² Actions may also be brought directly before national courts by the parties concerned.

Finally, I would point out that the fact that a brewery increases the rent on a tenanted public house or imposes other new conditions will imply that there is a new agreement for the purposes of the regulation and the benefit of the transitional provisions are lost.³

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¹ OJ L 173, 30. 6. 1984, p. 5.

² See point 51 of Commission Notice on Regulations (EEC) No 1983/83 and 1984/83, OJ C 101, 13. 4. 1984.

³ See point 66 of Commission Notice referred to above.

Question No 46, by Mrs Banotti (H-492/84)

Subject: Imports of ivory into the Community

Can the Commission state if any import licences for ivory have been granted in Member States since 1 January 1984, and, if so, in which Member States and what are the countries of origin?

Answer

Import permits for ivory have indeed been issued by the Member States since the entry into force on 1 January 1984 of Council Regulation (EEC) No 3626/82¹ on the implementation in the Community of the Convention on International Trade in Endangered Species of wild fauna and flora (CITES).

The Commission is not yet in a position to reply to the second part of the question of the honourable Member of Parliament.

The annual report covering the Community's trade in animals and plants and their parts and derivatives covered by CITES will provide an accurate picture of, among many other things, imports and re-exports of raw and worked ivory, but will not be available before October 1985.

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Question No 47, by Mr O'Donnell (H-498/84)

Subject: The Community's islands

Is the Commission aware of the serious population decline in many of the Community's islands, affecting in particular those islands with small populations and poor transport links, and if so has the Commission any proposals to take action to establish appropriate transport links between the islands and the mainland, and to improve the economic and social infrastructure of these islands?

Answer

The Commission is aware of the problem raised by the honourable Member concerning the particular situation of islands with small populations and poor transport links.

In the context of its actions, the Community has already been able to take account of these problems through a specific measure² under the non-quota section of the ERDF in favour of Greek islands, which provides for special aid to be granted to the improvement of communications and access to and between the islands and the opening or development of shipping lines or airlines.

The honourable Member may also wish to note that the Commission has recently decided to grant ERDF aid to a publicly financed ferry and associated ferry terminals in the Western Isles of Scotland. The aid granted to this project, which is, naturally, subject to a condition that the ferry continue to serve the assisted area in question for its economic lifetime, reflects the Commission's concern to promote the development of islands through, *inter alia*, the improvement of transport links.

In a more general context, the new regulation governing the European Regional Development Fund³ which came into force on 1 January 1985 makes particular provision for

¹ OJ L 384, 31. 12. 1982.

² Regulation (EEC) No 215/84 — OJ L 27, 31. 1. 1984.

³ Regulation (EEC) No 1787/84 — OJ L 169, 26. 6. 1984.

special account to be taken of the island character of regions in the Commission's assessment, for the purposes of Fund assistance, of programmes or projects located in such regions.

Finally, in a more particular social context, the honourable Member will find, in Article 1, paragraph 15, 2 (b) of the Commission's proposal for a Council regulation (EEC) amending Regulation (EEC) No 543/69 on the harmonization of certain social legislation relating to road transport and Regulation (EEC) No 1463/70 on the introduction of recording equipment in road transport,¹ a provision allowing Member States, after authorization by the Commission, to grant exemptions from any provisions of Regulation (EEC) No 543/69 'for transport confined to islands not exceeding 2 200 square kilometres in area and which are not linked to any other part of a Member State by a ford, bridge or tunnel suitable for the passage of motor vehicles'.

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Question No 49, by Mrs Squarcialupi (H-512/84)

Subject: *Ad hoc* committee on trembolone and zeranol

Will the Commission give details of the precise composition of the current *ad hoc* committee which is to deliver an opinion on trembolone and zeranol, and state whether national public servants or experts seconded from national ministries who are members of the committee are required to observe confidentiality in contacts with their national authorities?

Answer

The Commission will be pleased to ensure that a copy of the complete list of names which you find published in Agricultural Report EUR 8913 concerning this matter is available.

In accordance with Article 10 of the Decision constituting the Scientific Committees, where the Commission informs the members that the opinion requested is on a matter of a confidential nature, members of the Committee shall be under an obligation not to disclose information which has come to their knowledge through the work of the Committee.

As those experts who are not members are not held by these provisions of this constitution, it was considered that they must also be put on the same footing.

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Question No 50, by Mr Normanton (H-515/84)

Subject: Community aid programme

Will the Commission confirm that the assurances given at the Budgets Committee meeting on Tuesday, 30 October, that 32 million ECU transferred in support of the emergency aid programme to Ethiopia will include such countries as Somalia, Djibouti and the Sahel, all of which are suffering acutely from the consequences of drought?

Answer

1. The Commission can confirm assurances given at the Budgets Committee meeting mentioned by Mr Normanton, since, within the 32 million allocated for African victims of famine, the following amounts were granted to:

¹ OJ C 100, 12. 4. 1984, p. 3.

- Somalia: 300 000 ECU
- Sahelian countries:
 - Niger: 3 million ECU
 - Tchad: 5 million ECU
 - Mali: 2 million ECU
 - Mauritania: 2 million ECU
 - Burkina Fasao: 1 million ECU

2. An emergency aid of 250 000 ECU in favour of drought victims in Djibouti was granted in April 1984, but at present, the situation in that country is much less serious than in other neighbouring countries, and seems to be under control.

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Question No 51, by Mr Chanterie (H-518/84)

Subject: North Sea Conference in Bremen

One of the important results of the Bremen Conference is the decision to limit the influx of harmful substances from rivers and coastal waters. Airborne pollution is also to be restricted. It will have to be decided in future whether the North Sea, as a specially protected area, falls under the provisions of the Marpol Convention.

How does the Commission view the conclusions of the North Sea Conference in Bremen, and what steps does it plan to take to put into effect the resolution adopted by Parliament on the North Sea (Doc. 2-840/84)?

Answer

The Commission considers the conclusions of the North Sea Conference to be a further step towards a balanced policy providing for the protection of the North Sea.

It is envisaged that the implementation of the conclusions reached at the Conference will be the responsibility of the relevant international bodies. Their work has been given a significant political impetus by the Bremen Conference and the Commission's services will receive my personal instruction to cooperate fully with all concerned as the Conference decisions are implemented.

The Commission will continue to pursue the fundamental task of protecting our fresh and marine waters. It has just, for example, adopted a proposal for a framework directive on the discharge of dangerous substances. Further proposals concerning the protection of the sea are now being prepared and will be brought forward shortly.

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Question No 52, by Mr Newton Dunn (H-522/84)

Subject: Cereal surpluses

Does the Commission intend to propose any restriction on cereal production in the Community for 1985/86 other than through the price mechanism?

Answer

The Commission is in the process of preparing its proposals for prices and related measures for the 1985/86 marketing year. It would not therefore be proper for me to speculate upon the possible measures to be proposed for cereals at this moment. I hope that the Commission's proposals will be available early in February.

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Question No 53, by Mrs Schleicher (H-523/84)

Subject: Directive on packaging of beverages

The Council's latest compromise proposal of October 1984 clearly takes no account of the official Commission text of 17 November 1983 which was amended on the basis of Parliament's resolution and is the only valid text.

Can the Commission confirm that discussion in Council is not based on the Commission's own proposals but on the compromise proposals submitted by the Council and what position has the Commission adopted in negotiations with the Council on the latter's compromise proposals; is the Commission aware that this procedure is contrary to Article 149 of the EEC Treaty and what will the Commission do to have its own amended proposal of 17 November 1983 reinstated as the basis for discussion? Is the Commission prepared to fulfil its role as guardian of the Treaties under Article 155?

Answer

The Council's discussion on the proposed directive on the containers of liquids for human consumption have been held on the basis of the Commission's proposal, later modified following consultation of the European Parliament (COM(83) 638 final of 17. 11. 1983).

Given that no unanimous approval could be reached, the Presidency of the Council put forward a compromise as a basis for discussion at the Council of 6 December 1984.

As this text diverged in only minor ways from the Commission's proposal, in the Commission's view the Council would have been able to adopt it acting in accordance with Article 149, paragraph 1 of the Treaty.

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Question No 54, by Mr Franz (H-541/84)

Subject: Sectoral aids — machine tools

Does the Commission agree that in approving the subsidizing by the British Government of the new project by the Japanese Yamazaki company it is contributing to distortion of competition in the machine tool industry in Europe? What steps has the Commission taken to reduce distortion of competition, and does the Commission intend to continue to approve such forms of subsidy, which run counter to the objectives called for in the European Parliament's resolution of 28 March 1984 (Doc. 1-1527/84), in the future?

Answer

The Commission does not believe that its decision concerning the case referred to by the honourable Member contributes to a distortion of competition in the Community's machine tool industry to an extent contrary to the common interest. In line with its efforts to

achieve the urgent structural and technological rationalization of the Community's machine tool industry, and contrary to what is implied by the questioner, in line with the principles advocated by this House in its Resolution of 28 March 1984, the Commission checks the implementation of aid schemes adopted by Member States for the purpose of promoting the industry's adjustment to changes in technology and in the market. Thus in 1982 the Commission had ruled that aids under the British Flexible Manufacturing Scheme could be reconciled with the common market because their aim was to contribute to R&D and to further transfer of new technologies and innovation. It requested the United Kingdom Government to notify individual cases in which investments in excess of UKL 5 million were envisaged.

The case referred to was the first significant application of the FMS, and was considered by the Commission under the procedure provided for by Article 93(2) of the EEC Treaty.

The Commission decided not to oppose the subsidy as it contributes to the creation in the Community of a unique and most advanced production facility which the maker will make permanently available to industrialists for the purpose of demonstrating the use of computers in flexible manufacturing and of disseminating this technology throughout the Community, thus justifying in the Commission's opinion derogation under the terms of Article 92(3) EEC.

The Commission has taken specific steps to monitor the progress of the project and the technology transfer involved as well as its impact on the market.

The Commission has made it plain to the United Kingdom Government that it fully reserves its right to sanction the failure to meet the conditions set by it for this grant, namely that the government and the maker must ensure and permit the effective realization of the technology transfer and must regularly report to the Commission after the coming on line of the new factory. Equally, the Commission reserves its right to take appropriate measures in case of adverse impact on trading conditions in the European machine tool sector.

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Question No 56, by Mr Bettiza (H-544/84)

Subject: Special reafforestation programmes

The Commission recently decided to exclude the Emilia-Romagna section of the Appennines from the financing provided for under Regulation (EEC) 269/79 on special reafforestation programmes. Can the Commission state the criteria on which it reached this decision? If so, does the Commission not consider that the suspension of Community aid may have serious effects on employment in the Emilia-Romagna section of the Appennines and on the programmes currently in progress to restore the balance of forest and water resources?

Answer

There has been no recent decision by the Commission to exclude the mountainous part of Emilia-Romagna from benefiting from the common forestry action under Regulation No 269/79.

The first of the five basins to be maintained in the framework programme was fixed by the national authorities; it encompasses almost all the territory of Emilia-Romagna, but certainly forestry actions situated outside the perimeter of the said basins cannot benefit from Community aid.

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Question No 57, by Mr Pranchère (H-553/84)

Subject: Sale of Community butter

How can the Commission justify its refusal to export 'old butter' to Rumania, which wanted to purchase 100 000 tonnes of it?

Answer

It is true that the Commission received a request from Rumania to be added to the list of destinations annexed to the regulations providing for the sale of intervention butter intended for export (Regulations (EEC) Nos 2268/84 and 2956/84). This list was confined to countries which were likely to buy large quantities (at least 100 000 tonnes) for internal consumption.

However, in view of the fact that Rumania is by tradition not a butter-importing but rather a butter-exporting country, the Commission had grounds for thinking that any butter imported by Rumania might be re-exported.

This kind of operation would have enabled Rumania to increase artificially its sales on the world market during 1985, which would have been bound to aggravate the already difficult situation on the butter market.

It should also be noted that the regulations on the sale of Community butter were the subject of controversy even before their implementation, both within the Community bodies and with other exporting countries, as well as under the International Dairy Arrangement in Geneva. There was a good deal of criticism, which led the Commission to agree to make a statement in the Resolution of 16 November 1984 adopted by the International Dairy Products Council to the effect that the provisions concerning exports of cheap Community butter would be repealed very soon. This was done on 8 December last.

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Question No 58, by Mr Hänsch (H-562/84)

Subject: US policy on the transfer of technology

The Foreign Ministers of the Ten at their informal meeting in Luxembourg on 15 October 1984 criticized American policy with regard to trade with the Eastern bloc in advanced technology products and called for a survey of the effects on the European economy.

Has the Commission now submitted this survey and what conclusions has it drawn therefrom?

Answer

The Commission is concerned about the possible consequences for European industry of the various measures increasingly adopted by the US Administration in recent years regarding technology transfer and access to scientific information.

This question was informally raised at the Council meeting of Industry Ministers on 15 October 1984. The outcome was that the Member States were requested to provide the Community with all the information accessible to them in this field concerning practical repercussions of the American measures on firms, universities and scientists. Further investigations are necessary in order to clarify certain aspects of American policy and practice and particularly to collect precise evidence from within the EEC before any final decisions can be taken.

The Commission will obviously inform Parliament of the most important developments in this question.

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Question No 60, by Mr Turner (H-565/84)

Subject: International cooperation in fusion technology

Will the Commission report on the latest meeting of the Group of Versailles on cooperation in fusion technology?

Answer

The last meeting of the Working Group on controlled thermonuclear fusion, which was set up after the Versailles Summit, took place on 5 and 6 July 1984 in Brussels. This meeting stressed above all the need for better mutual coordination of the various current research programmes and considered that all the projects carried out under these programmes should be thoroughly analysed. For this purpose three sub-groups were set up to investigate the following questions:

1. planning and cooperation with regard to new large-scale fusion research establishments;
2. planning of forthcoming measures in fusion physics and fusion technology, including plans for fusion reactors;
3. organization of international cooperation in fusion research.

On the basis of the reports submitted by these three sub-groups, the Working Group will, at its forthcoming meeting on 15 and 16 January 1985, draw up a summary report for the next summit meeting of Western industrial nations, due to take place in Bonn in early 1985.

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Question No 62, by Mr Adamou (H-568/84)

Subject: Greek wine exports

Greek wine exports have been severely affected by Greece's membership of the EEC, for, whereas the figure for 1979 was 100 000 tonnes, in 1982 it was scarcely 27 000 tonnes and in 1983 35 000 tonnes. Meanwhile, it is estimated that exports will reach 70 000 tonnes by the end of 1984, but only because more than 30 000 tonnes is to be marketed in the USSR.

Since it is clear from the above figures that the Community is not going to provide an outlet for Greek wines, especially having regard to the failure to implement the principle of Community preference, wine lakes and the impending accession of Spain, can the Commission state whether it intends to give support for Greek wine exports to third countries and, if so, how?

Answer

The Commission has indeed noted with regret that there was a certain downward tendency in Greek wine exports between 1979 and 1982.

Since 1982 exports have continued to move upwards and the Commission is confident that this trend will last.

However, I should like to stress that the greatest drop in Greek wine exports was *before* accession and not after it, since it took place during the 1980 calendar year.

As regards the machinery at the Commission's disposal for assisting wine exports to third countries, I would draw your attention to the existence of export refunds as laid down by Community legislation.

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Question No 63, by Mr Ephremidis (H-570/84)

Subject: Delayed finances for infrastructure works in Greece

According to statements by the Greek Minister of Communications, there have been delays in making available for infrastructure works in the Greek communications sector the Dr 5 500 million that were approved in 1983 and 1984.

Can the Commission state why the above finance has been blocked and what measures it intends to take to ensure its early release, seeing that there is a danger that these appropriations may be cancelled after two years and moreover the construction of essential infrastructure works in the Greek communications sector is being held up?

Answer

The measures in favour of Greek transport infrastructure mentioned by the honourable Member are one part of a larger set of measures aimed at providing financial support from the Community budget for transport infrastructure projects of Community interest located throughout the Member States.

Until the Council adopted the necessary legal basis, the appropriations provided in the 1983 and 1984 budgets could not be used for financing infrastructure projects from the Member States.

The Commission put forward a proposal on financial support for a multi-annual transport infrastructure programme (COM(83) 473 final) in August 1983.

The approval of the Council, limited to 1983 and 1984, was reached in several stages and was finalized on 19 December 1984. In the meantime the Commission had carefully prepared the necessary administrative and financial steps in order to implement the regulation immediately; this avoided the 1983 appropriations being cancelled.

Thus the appropriations were committed before 31 December and the first instalment — amounting to 30% of the cost of each project — has now been paid. The rest will follow according to the relevant procedures and to the pace of completion of works by the Member States.

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Question No 65, by Mr Romeo (H-580/84)

Subject: European economic policy

In presenting a study by Solomon Brothers on 'prospects for financial markets in 1985' recently in New York, the economist Henry Kaufman highlighted the lack of any independent economic policy in the European countries and their almost total dependence on the American economy, this being the main reason for the slowness of their economic recovery. He also pointed out that an improvement in Europe's economic situation might

create an alternative for investments, which would cause the dollar to drop considerably. Does the Commission consider the initiatives which it has proposed to the Council to increase the dynamism and independence of European economic policy to be adequate (if they are adopted to produce the positive effects mentioned by Mr Kaufman)?

Answer

The Commission holds the view that, given the high level of world economic integration in both the goods and the financial markets, economic developments in individual countries or groups of countries are not independent of economic developments in other countries. This interdependence of economic developments exists in particular between industrial countries, and thus also between the United States and the countries of the European Community. So there is no doubt that the recent economic upturn in the United States is one of the reasons for the economic recovery in the European Community. Furthermore, in the monetary field, the rise in the value of the dollar and the high American interest rates — both an expression of the combination of tax and monetary policy adopted in the United States — have been major factors in influencing economic developments in Europe. While the rise in the value of the dollar has, on the one hand, helped European industry to be more competitive on the world market, it has, on the other hand — mainly because it has made imports correspondingly more expensive — made it more difficult for the countries of the European Community to combat inflation. Since this posed a threat to price stability, some European central banks felt obliged, at least for a time, to pursue a monetary policy which is more restrictive than that which would normally be dictated by internal economic requirements. Furthermore, owing to the interrelation of international capital markets, interest rates are also directly affected, which means that, in view of the dominant position of the American capital market, interest rates should move in the same direction as those in the United States.

Although the Commission does not deny that the European economy is dependent on world economic developments, European economic policy has nevertheless proved that it is independent in important areas.

Thus, for example, we have succeeded, despite the difficulties caused by the rise in the value of the dollar, in considerably reducing the inflation rate, namely from 10.1% in 1981 to 5.1% in 1984. Not least as a result of this appreciable fall in the inflation rate and of the consistency with which our monetary policy has been pursued, we have also succeeded in reducing the interest differential between the United States and Europe for 1984 by an average of two percentage points as compared with 1983. Some countries in the European Community have been able to reduce interest rates considerably below the high American level. These examples demonstrate that the economic policy of the European Community is to a large extent independent.

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II. Questions to the Council

Question No 86, by Mr Alavanos (H-420/84)

Subject: Commission interference in price index-linking, etc.

The Commission's annual report on the Community, specifically the section on Greece, indicates that efforts will be made to effect a real reduction in workers' wages (incomes policy for 1985 will have to revert to restraint, with the possibility of fixed wage increases in line with an estimated rate of inflation), to increase public service charges (an adjustment in public service tariffs designed to reduce the cost of subsidies), more rigorous tax assessment, further concessions to big capital (encouragement of private investment to promote economic recovery among companies) and other measures with a similar socio-economic tendency.

What is the Council's position on the Commission's interference in matters which fall within the jurisdiction of the Member States themselves (guidelines for incomes policy, public services policy, etc.)?

Answer

The draft annual economic report, to which the honourable Member refers, was drawn up by the Commission in accordance with Article 4 of the Decision of 18 February 1974. In accordance with the same Decision, the Council adopted the annual economic report on 19 December 1984 and decided that it should be published in the Official Journal of the European Communities.

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Question No 87, by Mr Adamou (H-422/84)

Subject: Greek slaughterhouses

According to verified information, the agricultural fund (EAGGF) will not participate at the stipulated rate of 50% in financing the programme to set up 16 slaughterhouses and three meat markets in Greece (budget of Dr 19 000 million) which the Greek Government had submitted to the Community.

What action does the Council intend to take to ensure that the EAGGF participates in the financing of the above-mentioned programme at the stipulated rate, which will aid development of the backward stock-rearing sector, help combat unemployment and, in general, boost the Greek economy?

Answer

The matters referred to by the honourable Member fall within the competence of the Commission. The Commission has not referred this question to the Council.

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Question No 88, by Mrs Castle (H-528/84)

Subject: VAT

Will the Council state what is the latest position on the reasoned opinion under Article 169 of the Treaty of Rome which it has sent to the UK Government alleging that certain aspects of the VAT zero rates in force in the UK are contrary to the provisions of the sixth VAT Directive, and what action it intends to take given that the UK Government, and the UK people, do not accept the Commission's views?

Answer

Under Article 169 of the Treaty of Rome it falls to the Commission — and not to the Council — to deliver a reasoned opinion where it considers that a Member State has failed to meet its obligations under the Treaty.

The Council has not, therefore, sent such an opinion to the United Kingdom Government.

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Question No 90, by Mr McCartin (H-487/84)

Subject: Irish Presidency

Can the Council state the number of times Ministers or Ministers of State, representing the Presidency of Council, attended Committee meetings of the European Parliament during the six months of the Irish Presidency (July-December 1984) and how this compares with the previous Irish Presidency (July-December 1979)?

Answer

Under the Irish Presidency during the second half of 1984, 18 exchanges of views were held between the Presidents-in-Office of the Council and parliamentary committees, in addition to the two quarterly colloquia on European Cooperation, and the various meetings in connection with the budgetary procedure. During the second half of 1979, 3 exchanges of views were held under the Irish Presidency.

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Question No 92, by Mr Newton Dunn (H-519/84)

Subject: Early decisions on transport matters

Speaking to the European Parliament's Transport Committee at Genoa on 22 November about forty or so urgent transport topics that await a decision in the Council of Ministers, the Italian Minister proposed that 'he would pick out those few points that call for a political decision, and leave the remainder of the forty which are of a technical nature to be put to a majority vote in the Council'.

Has the Presidency picked out 'the few' and on which date will it put the technical remainder of the forty to majority vote?

Answer

Major decisions on many of the Commission's transport proposals were taken by the Council at its meetings on 11/12 and 19 December 1984.

The Council will actively pursue examination of the other proposals which the Commission has already submitted or is preparing to submit. It should be possible to submit some of these topics to the Transport Council for examination at its scheduled meeting on 23 May 1985.

As matters stand at present, no option is being ruled out by the Presidency, including recourse to majority voting.

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Question No 94, by Mrs Schleicher (H-524/84)

Subject: Directive on packaging of beverages

Is the Council of Ministers aware that for some time the Permanent Representatives Committee (COREPER) has reportedly been considering proposals of its own which are not in line with the Commission's original proposal or its proposal of 17 November 1983 as amended on the basis of Parliament's opinion and does the Council of Ministers share the view that this procedure is clearly contrary to Article 149 of the EEC Treaty, since the

Council's latest compromise proposal of October 1984 obviously takes no account of the official Commission text of 17 November 1983 which is the only valid text, and what will the Council of Ministers do to ensure a return to the proper procedure under Article 149 of the EEC Treaty?

Answer

The amended proposal for a directive on the packaging of beverages to which the honourable Member refers is based on Article 235 of the EEC Treaty, which lays down that the Council, on a proposal from the Commission, shall decide.

Pursuant to Article 149 (1) of the Treaty, the Council may decide to make amendments to the Commission's proposal. In its deliberations the Council, abiding by its internal procedure, is thus entitled to examine any possibility of alternative solutions which might help to achieve the objective of the proposal.

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Question No 96, by Mrs Squarcialupi (H-532/84)

Subject: Declaration against racism and xenophobia in Europe

In view of the numerous cases of violence against immigrant workers in Europe and of the numerous victims of covert or institutionalized forms of racism and xenophobia in many Community countries, does not the Council intend finally to adopt an official position by issuing a formal declaration against the expression of certain intolerant and ignorant attitudes which are unworthy of civilized countries?

Answer

The Council refers the honourable Member to the statement made jointly to the European Parliament and to the Commission, and which stresses the crucial importance attached by these institutions to respecting basic rights which are generally enshrined in the constitutions of the Member States and in the European Convention for the Protection of Human Rights and Fundamental Freedoms.

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Question No 97, by Mr McMahon (H-536/84)

Subject: Cassette tapes

What are the Council of Ministers proposals in respect of possible levies on blank tapes and blank cassette tapes?

Answer

The Ministers for Cultural Affairs meeting within the Council discussed the question of private copying at their meeting in Luxembourg on 22 June 1984.

They again discussed the subject at their meeting on 22 November 1984, and agreed to re-examine it when the Commission had published its Green Paper on copyright, probably in the first half of 1985.

At this stage, therefore, the Council has no firm position either on private copying or on the possible introduction of a levy payable on the sale of cassette tapes and blank video-cassettes.

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Question No 98, by Mr Mallet (H-545/84)

Subject: Issuing of the European passport

The Council decided to issue the European passport from 1 January 1985. The deadline has now arrived. Can the Council say in which countries citizens who so wish may obtain this document, and what the arrangements are for doing so?

Answer

Denmark, France, Italy, Ireland and Luxembourg issue the uniform passport.

The Resolutions of 23 June 1981 and 30 June 1982 contain no provisions on the cost of issuing the uniform passport, and it is thus up to the Member States to fix the amount.

Similarly, it is up to the Member States to lay down the arrangements for issuing this passport.

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Question No 99, by Mrs Lizin (H-563/84)

Subject: European Union

What steps does the Italian presidency intend to take in order to ensure that progress is made in the debate on European Union within the Council, with particular regard to calling a conference of the Member States on this subject?

Answer

At its meeting in Dublin the European Council took note of the interim report drawn up by the *ad hoc* Committee on Institutional Affairs. It acknowledged the high quality of this report and considered that the Committee should continue its work in order to achieve maximum agreement. The Council also agreed that this interim report should be published. Bearing in mind that its next meeting will be in March 1985, the European Council has asked the Committee to conclude its work and to table a report which, after being initially examined during the above meeting, will be the main topic to be dealt with at the European Council which is due to meet in June 1985.

For further information on this matter, I would ask the honourable Member to refer to my statement on the six months of the Italian presidency.

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Question No 101, by Mr Mancel (H-392/84)

Subject: Dangers existing in the Persian Gulf

Can the Ministers indicate what representations they have made to the authorities concerned in response to the dangers existing in the Persian Gulf and their likely implications for fuel supplies?

Answer

While the ten Foreign Ministers meeting in political cooperation have not tackled the specific problem of fuel supplies from the Persian Gulf, they have clearly stated on numerous occasions their concern at the many dangers arising from the war between Iran and Iraq.

The Ten have appealed to both these parties to adhere to the resolutions of the Security Council and to cooperate in finding a peaceful solution. The Ten have stressed to both Iran and Iraq the importance they attach to the freedom of shipping and trade in international waters.

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* *

Question No 104, by Mrs Lizin (H-449/84)

Subject: Uruguay

Have the Foreign Ministers meeting in political cooperation discussed the situation in Uruguay in the light of the November elections, and what conclusions have they reached?

Answer

The Ten Foreign Ministers are following with interest the democratization process in Uruguay. They hope that the recent elections will lead to a desired return to the traditions of democratic government in that country.

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Question No 107, by Mr Formigoni (H-555/84)¹

Subject: Situation in the Baltic States

What action have the Foreign Ministers meeting in political cooperation taken on the resolution adopted by the European Parliament on 13 January 1983², on the situation in Estonia, Latvia and Lithuania, in view of the fact that fresh cases of persecution of the Baltic peoples by the Soviet Union are being recorded in those countries?

Answer

The Ministers meeting in political cooperation have taken note of the Resolution referred to. The Ministers are anxious to ensure that all the provisions of the Helsinki Final Act and the Concluding Document in Madrid are fully respected and they have voiced their concern to this effect on all suitable occasions. Whenever an opportunity of raising the

¹ Former oral question without debate (0-35/84), converted into a question for Question Time.

² OJ No C 42, 14. 2. 1983, p. 77.

question of human rights in the Baltic States arises, the Ten Ministers reiterate the need for all possible measures to produce worthwhile results.

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* *

Question No 108, by Mr Paisley (H-282/84)

Subject: Plastic bullets

In view of the criticism expressed by representatives from the Irish Republic on the use of plastic bullets in Northern Ireland, have the Foreign Ministers meeting in political cooperation considered the recent admission by the authorities in the Irish Republic that its own army is equipped with rubber bullets for riot control?

Answer

This question does not fall within the range of topics discussed by the Foreign Ministers meeting in political cooperation.

*
* *

Question No 109, by Mr Alavanos (H-419/84)

Subject: The Mediterranean Sea — an area of peace

During the first ten days of October 1984, the regional trade union conference on the denuclearization of the Mediterranean met in Larnaca in Cyprus. The conference stressed the desire of the Mediterranean peoples for the removal of all nuclear weapons and foreign bases from the Mediterranean Sea and the Mediterranean countries.

What is the position of the Foreign Ministers meeting in political cooperation and what action will they take to implement the proposal to make the Mediterranean Sea an area of peace, security and cooperation between its peoples and to remove all nuclear weapons, which are a deadly threat to the region and continue to be deployed in the form of Cruise missiles at Comiso in Italy?

Answer

Questions on defence are not discussed by the Foreign Ministers meeting in political cooperation.

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Question No 110, by Mrs Castle (H-537/84)

Subject: 2-4-5-T used in Vietnam

Bearing in mind the extensive damage to both vegetation and people of Vietnam by the use of 2-4-5-T (known as 'Agent Orange') with its huge content of dioxin, and the substantial out-of-court settlement recently awarded to Vietnam veterans in the USA affected by this poisonous chemical, have the Foreign Ministers acting in political cooperation made any representations to the Government of the USA to give similar compensation to the Vietnamese victims, many of whom are suffering from cancer and have given birth to deformed children?

Answer

The possibility of making representations to the Government of the USA on behalf of Vietnamese victims of the use of 2-4-5-T has not been discussed by the Foreign Ministers meeting in political cooperation.

SITTING OF THURSDAY, 17 JANUARY 1985

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IN THE CHAIR: MR NORD

Vice-President

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

Mrs Ewing (RDE). — On a point of order, Mr President, may I ask whether it would be possible for the motion for a resolution tabled by Mr Hahn and others on behalf of various groups in this Parliament on guaranteeing the commitment for European Music Year to be taken first by acclamation? This morning at a meeting representing all committees of this Parliament, there was agreement that this should be done as the simple position is, this is not a controversial issue and unless it is passed today, this excellent orchestra, which is a creation of this Parliament, will not be able to carry out the tours already planned. As this is one of the great expressions of our European identity, I would ask that this should be done. I have already consulted all the other committees, and there does not seem to be anyone against getting this passed as quickly as possible by acclamation.

President. — Mrs Ewing, I feel it would be particularly difficult to comply with your request. Parliament has itself decided on the order in which the urgent motions are to be dealt with this morning. If we now change it again, I feel it would be a particularly poor precedent, and I would not wish to recommend this course of action to Parliament. But I am perfectly prepared to promise you that those who occupy the Chair this morning will do their utmost to ensure that the motion you refer to will definitely be dealt with this morning.

Mr von der Vring (S). — *(DE)* Mr President, yesterday we agreed to include the Curry/Fich report (Doc.

2-1450/84) on the budget on the agenda as an urgent item, and according to the Rules of Procedure this means that it has priority. Can you give us an assurance that we can vote on this report this evening?

President. — The report has been placed on the agenda as an urgent item.

Mr Hahn (PPE). — *(DE)* Mr President, as Mrs Ewing has said, we want to make it easier to get through our agenda by taking a unanimous decision immediately instead of having a debate, so that there will be one item less on the agenda. This would make it easier for everyone, since it is unanimously felt that we must finance European Music Year.

President. — Mr Hahn, that is what I have just said. We must make sure that this is what happens, but I think it would be better for us to wait until the end rather than to alter the order decided on by Parliament itself. I also feel that every minute we spend prolonging the procedural debate on this point makes it more difficult to comply with this request. So I should like to recommend that we now pass on to the agenda.

1. *Approval of the Minutes*

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

Are there any comments?

Mr Cryer (S). — Mr President, I know that Minutes are essentially brief, but I am down as speaking on the conduct of Question time. In fact, I congratulated the then incumbent of the Chair, who happened to be yourself, Mr President, that the provisions for Ques-

Cryer

tion time had been fully observed and that extra time had been allocated. I would not like the Minutes to suggest that I agreed with the criticism made by another Member, Mr Le Pen, with whom I totally disagreed and whom I opposed. I hope the Minutes will reflect that difference of view.

(Parliament approved the Minutes)

2. Verification of credentials

President. — I informed the House that at its meeting of 15 January 1985 the Committee on the Verification of Credentials verified, in accordance with Rule 6 (2) of the Rules of Procedure, the credentials of Mr Iversen, Mr Hitzgrath and Mr Lagakos. I propose that Parliament ratify these appointments.

Mr Rogalla (S), Chairman of the Committee on the Verification of Credentials. — *(DE)* Mr President, yesterday I asked the Bureau to let me know in advance when this agenda item would be taken, but I am afraid it did not do so. It does not matter, however, since I am prepared and, as the Chairman of the Committee on the Verification of Credentials, wish to give a brief account, in connection with these three appointments, of a case concerning the Danish Member John Iversen, who is replacing Mr Finn Lynge, who was until recently the Member representing Greenland. This change has been made necessary by an amendment to Denmark's national legislation, and Article 12(2) of the Act on Direct Elections expressly states that a change in the national legislation of a Member State may give rise to the loss of a seat in the European Parliament.

But the present situation, as everyone knows, is that although the representative of Greenland has given up his seat in this House as a result of the change to Denmark's national legislation, Greenland is formally still a Member of this Community because some Member States were too late in ratifying Greenland's departure. The Committee on the Verification of Credentials regards this state of affairs as particularly regrettable because it means that — even if only temporarily — a representative of the people of Europe who for formal reasons should still be a Member of this House has already left. This is a state of affairs which has to do with the provisions of the Act and concerns the democratic representation of the people of Europe in the European Parliament, and that is why it needs to be mentioned in this House.

Lastly, I should just like to point out that the Committee on the Verification of Credentials has requested that in any future cases of Members' giving up their seats in the House the Bureau should take no action until the Committee on the Verification of Credentials has had a chance to state its opinion. We also intend to

include in the report which the Political Affairs Committee is drawing up on uniform electoral law in accordance with Article 7 of the Act our own chapter on the verification of credentials, calling for an examination of the relationship between national legislation and the provisions of the Act, to which the verification of credentials relates under Article 11 of the Act, with a view to establishing how the scope of the European Parliament and its Committee on the Verification of Credentials for examining national legislation can be increased in future when it is a question of ratifying the appointment of democratically elected Members of the European Parliament.

I hope you did not find this too complicated. The issue is the relationship between national legislation and the provisions of the Act. We must aim at a thorough and constructive interpretation in an attempt to acquire more responsibility and influence for the European Parliament in this field also.

(Parliament ratified the appointments)¹

3. Topical and urgent debate

Terrorism

President. — The next item is the joint debate on:

- the motion for a resolution (Doc. 2-1393/84) by Mr Didò and others, on behalf of the Socialist Group, on the recent terrorist attack in Italy;
- the motion for a resolution (Doc. 2-1397/84) by Mr Ducarme, on behalf of the Liberal and Democratic Group, on terrorism;
- the motion for a resolution (Doc. 2-1424/84) by Mr Fanti and others on the attack on the Naples-Milan express of 23 December 1984.

Mr Mattina (S). — *(IT)* Mr President, ladies and gentlemen, terrorism has once again smeared my country with blood, adding 15 victims to the so many others we have unfortunately had in the last few years. We thought that after the blows dealt to the various terrorist groups in Italy their activities were now on the decline, and we would not have to endure a repetition of serious bloody incidents such as that at Bologna.

Unfortunately our hopes have been dashed. Although it is true that efforts to combat terrorism in Italy have had positive results, the fact remains that much has been left unexplained regarding the series of attacks

¹ Documents received — Membership of Parliament: see Minutes.

Mattina

which have taken place over the last 10 years. I am thinking of the attack on the 'Italicus' express, of the attack at Piazza Fontana, and it is probably this trend in terrorism which has gone unpunished over the years and which was plainly obvious once again in the attack on the Naples-Milan express.

Clearly, efforts must be made to act more resolutely in combating terrorism in Italy, and we should not content ourselves with the results achieved to date. We must have the courage to probe and expose wherever necessary, and to carry out investigations in all directions on this disturbing phenomenon which is unfortunately tainting our society. However, we believe that action taken merely by my country against this scourge of our time would inevitably have limited results, and we believe that Parliament must also come up with some concrete suggestions and urge governments to adopt common policies against terrorism.

On the other hand, the intensification of terrorist activities at the moment in Belgium, Germany and France shows that we are dealing with a phenomenon which effects the whole of Europe. We believe that initiatives directed at combating isolated activities are certainly important, but a common policy for carrying out investigations in all directions is necessary, in order to discover if there is any sort of stimulus or instigation from abroad behind the various forms of terrorism in different countries, and hence to provide Europe with a defence against this phenomenon aimed at the destabilization of our democracies.

(Applause)

Mr Ducarme (L). — *(FR)* I would like to start by saying that only last October the European Parliament adopted two resolutions denouncing terrorism and requesting the Council Presidency to deal with this issue in all earnest.

I drew Mr Andreotti's attention to this again yesterday, because Parliament's views on this have remained a dead letter, although this is an issue of vital importance for democracy in Europe, and for the security of its citizens. The Council of Justice Ministers, possibly joined by the Home Affairs Ministers, should meet without delay. Such a meeting is a must, because it is intolerable that Euroterrorism can exist and organize without the democratic governments lifting a finger.

I also know that certain political forces — and there is no reason why I should not single them out, the Greens and the ecologists who use environmental protection as a front — believe that the political position I have just outlined is imbued with a certain anti-terrorist frenzy or hysteria. I believe that such a position on the part of the Greens and ecologists is evidence of a desire to abandon the defence of democracy, is evidence of cowardice, and I hope that Parliament will not adopt this attitude. I hope there will be a large

majority in favour of the compromise amendment, and I believe that this would make it possible for Parliament to press the Council for a meeting of Justice Ministers at European level, possibly together with the Home Affairs Ministers, so that we can give a fitting reply to this attempt to destabilize democracy, this attack against respect for peoples' fundamental rights.

Mr Fanti (COM). — *(IT)* Mr President, ladies and gentlemen, the Communist Group requests a vote by roll-call on the motion concerning the horrible attack on the Naples-Milan express on Christmas Eve, with a view to urging the political and democratic forces in the European Parliament to give careful consideration to an incident which deserves attention for more than its national consequences.

Of course, it was perfectly correct of Mr Pflimlin to immediately dispatch a sympathetic message to the Italian authorities condemning the criminal act, paying tribute to the victims and expressing solidarity with the wounded and the whole Italian people for this new and difficult trial which they have undergone.

But this should not be the end of action taken on our part regarding the sad and bloody experience of the terrorist attack on Italy and its democracy: it must be given due consideration at Community level, especially now that other countries are suffering similar acts of violence. If the serious attacks on Italian democracy over the years have not been successful in the final analysis, if — as in the case of the massacre at Christmas — the popular response has been immediate and prompt, and if the achievement of major successes in combating the terrorism of the Red Brigades has been possible, it is undoubtedly due to the people's extraordinary strength and to their commitment to democracy, enabling them to recognize the crazy intentions underlying these criminal acts and causing them to give their backing to the judiciary and police, whose commitment, sometimes at the risk of their lives, has produced these successes.

However, despite all of this, some disconcerting questions remain unanswered. The Christmas massacre is but one more chapter in the tale of black terrorism and fascist subversion, a tale which has yet to be thoroughly examined and understood. Altogether, there have been five massacres all marked by the same infamy — as President Pertini pointed out and whose culprits have yet to be brought to justice. And the fact that the instigators and executors of the massacres which have blooded Italy for the last 10 years — from that of Milan, of Brescia and on the Italicus express, to the 80 dead and hundreds of wounded at the station Bologna in 1980 — have got off scot-free has undoubtedly encouraged the assailants to strike again. And only a lucky sequence of events prevented this new massacre from assuming catastrophic proportions. All of this is possible partly due to nebulous conniving within the sensitive machinery of the State, which is very difficult to expose fully.

Fanti

It is for these reasons that, apart from hoping that the enquiries under way in Italy will lead very soon to the discovery of the truth about the organization of the massacre and to the culprits' arrest, we gave consideration in the motion to the need for the Committee of Inquiry, set up by this House on the fresh outbreak of facism and racism, to enter into contact with Italian institutions in order to obtain information on parliamentary investigations into different subversive activities, which highlight the alarming connections, and not only at national level, between terrorism, secret organizations, the mafia and crime. We must continue to develop initiatives in this direction, while at the same time avoiding the easy and simplistic solutions which have prevented us from signing the proposed amendment.

Mr Ford (S). — This attack, which occurred in Italy on Christmas Eve, has had a major impact on public opinion in the United Kingdom and throughout Europe. I think we in Britain are particularly concerned because it follows so closely the attack on the Conservative Party Conference in Brighton in October.

I wish to express the sympathy of my group for the victims of this attack. We must all agree that there is increasing evidence of international links within and outside Europe between terrorist groups, and that is something we must be concerned about. For example, there have been recent press reports indicating that in London there are a number of safe houses where Italian terrorists on the run are hiding. We have to show our concern and to ask that urgent action is taken.

There is a strong suspicion that this particular incident may be part of the continued conspiracy in Italy — perhaps linked with the P2 conspiracy — to try to destabilize democracy. The strategy of tension that Fascist groups in Italy are pursuing to this end would fit with the events that have taken place in Italy recently.

I understand that recently one of Italy's most important judges has referred to the possibility that a new *coup d'état* is being planned similar to that proposed, planned and almost carried out early in 1970.

Of course it would be wrong for this Parliament to make rash judgements about this and similar issues. Nevertheless, we must be concerned to make sure that the greatest possible light is shed on the origin of these attacks. It is not clear at the moment whether this particular attack comes from the extreme right or the extreme left, or from a group which is ideologically so confused it cannot tell where it is itself. Nevertheless, the passage of time has indicated that many of the earlier attacks in Italy, France and Germany believed initially to have been perpetrated by the extreme left may now clearly be put at the door of Fascist and extreme right-wing groups in the Community.

As chairman of the Committee of Inquiry into the Growth of Rascism and Fascism in Europe, on behalf of myself and, I am sure, of all the members of the committee, including Mr Evrigenis, our rapporteur, we would welcome evidence of Fascist and extreme right-wing involvement and collusion in this and similar incidents.

Mrs Cassanmagnago Cerretti (PPE). — *(IT)* Mr President, Parliament must unfortunately acknowledge an upsurge of terrorist activity in Italy, which has in the last few weeks been the target of serious outbreak of attacks and a new wave of violence to which we cannot remain indifferent; on the contrary, this must make us reiterate our firm condemnation of all such despicable and unjustifiable acts.

On behalf of my group, I wish above all to express our most sincere solidarity with the relatives of the victims of the Florence-Bologna train who suffered in this absurd and criminal attack on 23 December.

Our condemnation must be decisive and unanimous, because unfortunately the problem of violence pervades all our countries, where people daily faced to their ineffectual rage, with an increase in criminal acts. The obvious aim of these activities is to try to destabilize and destroy democracy in particular Europe's democratic, stability, as can be seen from the often very close international alliances between terrorist organizations in different countries.

This enables the extremists to plan systematic activities on a large scale and, often, to control them from abroad. Thus Europe's wholehearted opposition is an absolute necessity. I repeat that we must be undivided in our condemnation of these attacks, and all Member States must act together and in agreement in order to put an end to this increase in terrorist violence, once and for all.

I therefore call upon all our governments to take the necessary steps towards tackling this problem as soon as possible by formulating a common policy involving real and effective inter-governmental cooperation. I therefore urge the Italian Presidency to do all that is necessary to speed up this process in order to conquer terrorism and subversion and their destabilizing effects on democracy.

(Applause)

Mrs Daly (ED). — Mr President, my group welcomes Amendment No 1 on this subject. We believe it is essential for Member States of the Community to act jointly and resolutely to put an end to the irresponsible actions of marginal groups whether they are independent or controlled from outside. We were shocked to hear of the recent attack on the train between Florence and Bologna and extend our sympathy to the victims

Daly

of that attack. It is only by united action that something can be done to stop these groups murdering innocent men, women and children. Resolutions talking about the abuse of human rights on this subject ring hollow in my ears when I know that those who perpetrate these acts do not believe in the most basic human right of all — the right to life. In our country we have seen the Harrods bombing, where nine people were killed and many many more injured, also the attack outside the Libyan Embassy where Police Constable Yvonne Fletcher was so tragically gunned down, and finally the Brighton bombing in October when an attempt was made to assassinate our Prime Minister and as many of her government as possible. Five innocent people died as a result of this and again many more were injured. We want to see much more intergovernmental cooperation throughout the Community on measures to combat terrorism. Make no mistake, terrorism is a threat to democracy, whether it be from the right or the left.

We want to see much more cooperation between the police of all countries to strengthen measures to catch the terrorists before they murder more innocent people. We believe that this is not a party political matter. Something has to be done about the differences which exist between some of the countries in the Community. Membership of the EEC gives us the opportunity to discuss these. Murder is not the answer. My group believes that the European Parliament is one place to start constructive talks on finding ways to solve some of the problems we face with the increase in terrorism throughout the Community.

(Applause)

Mr Adamou (COM). — *(GR)* Mr President, the Members of the Greek Communist Party utterly condemn the fascist terrorist acts committed in Italy and express our sorrow at the death of so many innocent people.

Our question is: who organizes this terrorism and whose interests does it serve? Why is Italy's State machinery unable to get the better of it? It is not for me to answer these questions. I would remind you of the recent statements by the leader of the Socialist Group in the Italian Government, former minister Rino Formica, to the effect that the Italian secret services have, since their inception, been controlled by the American secret service. He stated that the Italian secret services function only when Italy behaves like a loyal ally without any independence. Mr President, we have good reason to suspect that on many occasions the investigation of cases of terrorist activities is influenced by political motives. This view is also confirmed by the case of the attempted assassination to the Pope, which has not yet been the subject of court proceedings despite the fact that the guilty person has already been in custody for more than two years.

At the same time, there is an attempt to exploit this affair to boost the cold war. By contrast, there is another case, that of the murder of Father Popieluszko in Poland. The culprits were tried in open court a few weeks after their arrest.

Lastly, I should like to stress that we are opposed to a common EEC policy supposedly to combat terrorism. Firstly, because it goes against the EEC Treaties, and secondly, because the above examples give every reason to be concerned about what such a policy might lead to. We believe that inter-government cooperation to combat terrorism should be conducted solely within the United Nations.

Mr Di Bartolomei (L). — *(IT)* Mr President, as an Italian and a member of the Liberal Group I simply must make some contribution to this debat, but I shall be extremely brief.

Of all the problems confronting Europe and the world today, including famine, drug addiction and the last vestiges of imperialism, terrorism is by far the most serious and, as such, we must be undivided in our opposition to it, recognizing that the stability of democratic regimes in Europe is essential for the progress of the individual countries of Europe, of Europe as a whole, and of the West, and it is also a prerequisite for furthering the spread of democracy and peace in the world.

Unfortunately this blemish taints our countries, too, and is fostered by unscrupulous political dealings.

We have confidence in the good will and the cooperation of our allies, primarily in the United States and the other countries of the EEC; and we believe that we must all strive to strengthen our agreement in this field.

Mr Coste-Floret (RDE). — *(FR)* Ladies and gentlemen, the Group of the European Democratic Alliance supports the joint amendment and will vote for it.

It is a fact that international terrorism exists. Is there any need to recall that the trial of Aldo Moro's kidnapers revealed the collusion between Italy's Red Brigades and Germany's Baader-Meinhof gang, or to recall that after the head of the German Employers's Federation, Schleyer, was abducted in Germany, his body was found in France in a French car registered in France, or to recall that the leaders of the French terrorist group Action Directe freed in 1981 under a thoroughly excessive amnesty found refuge in Belgium, from where they now organize new attacks?

European terrorism exists, and when a previous speaker, Mr Adamou, asks the question — a good one at that — why the national State apparatus is powerless, I believe one can reply that a national set-up can-

Coste-Floret

not stand up to an international organization, to internationally-organized terrorism.

Therefore, it is a good thing that, as the motion requests, there should be increased international cooperation, inter-governmental cooperation between the Community's 10 countries, so that an effective reply can be given to terrorism, something which has not happened so far. I would add that one might even go further. I have submitted a motion for a resolution — it is being printed — calling for a European Security Community to be set up to counter terrorism. This, of course, requires harmonization of criminal law systems, the establishment of an International Court of Justice to deal with terrorist offences, together with an International Public Prosecutor's Office, to which, of course, the individual countries should refer cases, and a High Authority with powers relating to the law, the police and — because this is necessary — also information.

In order to arrive at a united Europe more quickly we took the institutional road, and we were right to do so. But perhaps we should not abandon the parallel road advocated by the founding fathers of our Community, i.e. the creation of new communities based on *de facto* solidarity in the fight against terrorism; first there would be *de facto* solidarity and then fusion of these communities. This is how Europe will make progress.

(Applause)

Mr Van der Lek (ARC). — (NL) Mr President, we, the Green-Alternative European Link in the Rainbow Group, cannot accept the way that this motion and the proposed amendment talk of terrorism. Let me first stress that we reject and condemn attacks such as those mentioned here and also, Mr President, that we renounce any use whatever of violence to achieve our aims. It is outrageous that Mr Ducarme should even link our non-violent opposition with terrorism and I completely repudiate any such insinuation. We cannot accept the way the concept of terrorism is bandied about here. You need look no further than the events in Italy where much of the violence is directly associated with groups all too close to the seats of power. In many other cases, too, it is clear just to what extent so-called right-wing terrorism is associated with, and covered up by, government organizations, secret services and power structures.

Mr President, the definition of terrorism is largely dependent on who is in power. For example, in my own country between 1940 and 1945 the democratic resistance movement was officially described as terrorism by the German occupying forces.

Mr President, we completely agree that acts of violence by groups of individuals have to be countered and citizens protected but this is already the role of the police and the criminal investigation organizations

within each of our countries. We cannot accept that all forms of opposition be tarred with the same brush — and that in the name of a democracy that is nowhere near as democratic as all that.

Economic repression exists in society and particular groups are discriminated against and persecuted. Mr President, the best way to combat terrorism is to make society more democratic rather than setting up a Community police structure, a so-called European judicial area and a system of computerized records that would make further inroads on the privacy of all European citizens. Let no one doubt, Mr President, that we condemn the attacks and express our sympathy with all victims but we cannot accept the blanket and unreal conclusions drawn from these. We therefore abstain.

Mrs Veil (L). — (FR) Mr President, ladies and gentlemen, once again we are called on to debate the issue of terrorism because once again — or rather several times since our last part-session — terrorism has struck in Europe. Sorrowfully, it has hit the hardest in Italy. On behalf of my Group I would like to express all our sympathy to the families of the victims and to all others directly affected. You have our full solidarity. But terrorism has also struck in the Federal Republic of Germany, France and Italy, not always hitting at people, but at everything which manifests our resolve to defend democracy. Because in addition to the women and men who have fallen victim to these attacks, in addition to the damage caused, it is democracy which is under attack here. Nowadays to fight against terrorism is to defend democracy, because we know that, if we cannot stand up to terrorism and step its advance, our countries will be gradually destabilized and we will see how the younger generations become disheartened by weak democracies. Indeed, we run the risk of reliving in our countries things we experienced a few decades ago.

We must rally around in the face of such acts and not be culpably indulgent in any way. We are told there is international terrorism, extreme right-wing terrorism, extreme left-wing terrorism. In my view, it is always the same terrorism, because we know very well that the money comes from the same sources, that the terrorists are trained in the same camps, and that very often it is just by chance that this or that hand strikes. In reality it is always the same undertaking with the same aim: to destroy democracy and freedom.

Europe must fight this. We have submitted proposals: a European judicial area, greater coordination. We must show how determined we are that the governments should take real action to defend our well-being.

(Applause)

Mr Le Pen (DR). — (FR) Mr President, ladies and gentlemen, we all condemn terrorism with our hearts

Le Pen

and minds. But it seems to me that there is an element of ambiguity in this condemnation which must be removed.

Indeed, each of the terrorist attacks in Europe is a direct and systematic part of a disinformation campaign which puts the blame on a mythical extreme right. In each and every case all the judicial investigations have proven that, on the contrary, these organizations and these terrorist acts came from the same source, i.e. from the only power with an interest in destabilizing the countries of Europe and throughout the world — the Soviet Union and international communism.

(Applause from the right)

Only recently a terrorist act was attributed in the press to the extreme right for the simple reason that those responsible were not known, or because a telephone call had been made. This is not a serious approach.

Our national organizations have always strongly condemned such acts and have even demanded that the death penalty be applied for crimes committed by these people who place themselves outside the law. But only too often, however, the political organizations demonstrate a certain complacency as regards that needs to be done.

Let us take a topical example. In New Caledonia, which is a French possession and consequently also belongs to Europe's heritage and future in strategic, political, military and geographical terms, things are happening which are the responsibility of a very small, a minuscule, minority based on violence and terrorism. But this organization, instead of being fought by the French authorities has its demands accepted. Law and order are not being maintained to the full, and thus the majority — including, of course, the overwhelming majority of the Kanaks — are subjected to pressure through violence and terrorism.

Thus, ladies and gentlemen, the members of this Assembly must, as Mrs Veil said, unanimously condemn terrorism whatever the nature of its authors or its aims. Terrorism is intrinsically barbaric, something no civilized society can accept, but society would be betraying itself if it was simply content to condemn terrorism verbally. The full force of the law must be brought to bear against those who place themselves beyond the pale of civilization and freedom.

(Applause from the right)

President. — The debate is closed.

(In the following vote Parliament adopted Amendment No 1 seeking to replace two motions for resolutions (Doc. 2-1393/84 and Doc. 2-1397/84) and then adopted the Fanti resolution (Doc. 2-1414/84)

Trade with the USA

President. — The next item is the joint debate on:

- the motion for a resolution (Doc. 2-1395/84) by Mr Prag and others on measures under discussion to rectify the US foreign trade deficit;
- the motion for a resolution (Doc. 2-1398/84) by Mr Woltjer and others on the withdrawal of the United States from the GATT agreements on dairy products.

Amendment No 1 by Mr Hänsch and Mr Didò on behalf of the Socialist Group, Mr Habsburg, Mr Estgen and Mr Croux on behalf of the Group of the European People's Party, Mr Ducarme on behalf of the Liberal and Democratic Group, Mr Prag on behalf of the European Democratic Group, and Mr de la Malène on behalf of the Group of the European Democratic Alliance.

Mr Prag (ED). — Mr President, I have always been a supporter of the United States in most conceivable ways. The Western World owes its continued freedom in large part to the United States defence umbrella, and no one is more conscious of that than I am. I am also well aware that the reflationary effect of the United States administration's vast budget deficit, arising from heavy public spending, has been the major element in the modest recovery of economic activity in Western Europe.

Nevertheless, the persistently high interest rates which have had to accompany this vast budget deficit have been sucking in foreign funds at a quite unbelievable rate. Foreign holdings of dollars are now estimated at 450 000 million dollars. These, together with the high dollar rate, have enabled the United States to acquire cheap imports and make cheap investments, and they enable the United States tourists to come abroad for next to nothing.

However, that is really not the worst of it. The worst of it is that we are now seeing the results of these domestic United States policies in our own exchange rate markets. If our own currencies continue to decline as they have done, then the inflationary effect on Western Europe is bound to be very great indeed. That cannot be allowed to continue. We cannot allow United States domestic policies to continue to have the most devastating effects on our own economies.

Now people may say: Well, why do we have a single drastic remedy proposed in my resolution? The answer is very simple. We have very little time. The five major Finance Ministers are in Washington today for talks, and I believe that this Parliament can make a gesture to show that we care about what United States policies are doing to us. It is a warning shot, just like the warning shot that the Americans have fired. It is a warning

Prag

shot across their bows, and I hope that this House will vote for the motion.

IN THE CHAIR: MR ALBER

Vice-President

Mr Welsh (ED). — Mr President, could I put it to my honourable friend that he should make it absolutely clear that he was not speaking on behalf of his group?

Mr Eyraud (S). — (FR) Mr President, ladies and gentlemen, on 17 December last year, the Commission representative confirmed a story appearing in the press that day saying that the USA had renounced the GATT agreement on dairy products.

At the same time a letter from the US Permanent Representative to the Community made this decision official. This decision does not take effect until 60 days from that date. The signatories of the motion for a resolution felt it necessary for Parliament to examine urgently the consequences to such a decision, to say what measures should be taken to soften its impact, and to try to get the USA to go back on this decision.

The introduction of floor prices under GATT had two aims. First, to ensure a minimum income for farmers, something which is even more necessary since the dairy quota system was introduced. Community farmers cannot have reduced production and lower prices forced on them at one and the same time, because this would bring about the loss of some three million jobs all the way down the agri-foodstuffs chain. The victims would then further swell the number of jobless. As regards the budget, refunds would be inevitable in order to make up the difference between world prices and Community prices, even if these were fixed at a lower level.

The second aim in introducing floor prices was to protect agriculture in Third World countries from deliveries of low-priced agricultural products, whatever they might be, which destroy the efforts to build up an agri-foodstuffs industry in developing countries, many of which are famine-stricken.

Indeed, the fight against hunger in the Third World must be continued via the development of food production. Of course, dumping agricultural products in these countries reduces the Americans' stocks and eases their financial problems. But we cannot stand by and watch world trade be dangerously destabilized. The Americans should respect the rules in all circumstances, not just when it suits, them.

For this reason, Parliament must stand very firm in defence of the CAP, which is under attack both from

the inside — we saw this yesterday — and from the outside, by condemning the attitude of the USA. Coming from the same country, from the same town as General La Fayette, I would like to state solemnly, from this exalted place that no American, no European, no Frenchman has any right to contemplate a war between our countries, not even one accompanied by the adjective 'trade'.

Negotiations must be the golden rule. But this does not exclude great firmness. If the Americans insist on adhering to their decision, then, Mr Andriessen, we must get them to cede back the advantages they acquired during the Nixon Round.

Lionel Jospin said on Tuesday that it was time to affirm European resistance to the USA and Japan. This is what we expect from the Council under the Italian presidency. This is what we expect from the new Commission.

Mr Woltjer (S). — (NL) Mr President, I am very pleased that this proposal is being discussed this morning and that we, the Socialist Group, can make it clear that, although we often criticize existing agricultural policy, we do not want any outside interference in the form of Americans telling us what to do. We hope that the whole House can join us in supporting the Commission's attitude and instruct the Commission and the Council to stand up to the Americans. That is the message that we, by means of this motion, wish to get across.

Nobody can be unaware that we often criticize agricultural policy and particularly the production of surpluses. Should this coincide with criticism voiced by the Americans, it does not mean that we believe the Americans are entitled to tell us how we should solve our own problems. They have their rights and we want to negotiate with them. That has always been our approach: negotiate clearly, come to clear agreements and thus avoid trade conflicts. In that way, it would be possible to protect European agricultural policy and to ensure effective survival of the industry. Nevertheless — this is my Group's point of view and we fully support this motion — this cannot be done dictatorily.

We could go into this subject more deeply but this urgent debate is not really the place for it. I hope that we can do rather more in the future and have the discussions attended by people from the Committee on External Economic Relations and from other committees. The point at issue is clear: to support all those who are negotiating with the Americans on behalf of the European Community and show them that they have our backing. Our message to them is: we want to avoid trade conflicts, your job is to negotiate and while a blunt 'no' is not appropriate nor, on the other hand, can we accept being dictated to just as we are engaged in reforming agricultural policy. Let us be realistic — progress has been insufficient in recent

Woltjer

years, but a great deal has nonetheless been done, the quota system has been introduced and agreements have been made on grain prices. If, then, the Americans suddenly want to begin a trade war because changes are not happening as fast as they would like or because they want to solve their own problems — and as we all know it comes down to that — at our cost, I say no, that is where we draw the line, from then on we support the Commission in its negotiations.

That concludes the statement on behalf of my Group.

Mr Habsburg (PPE). — (*DE*) Mr President, I would like to say first and foremost that Mr Prag and his co-signatories have done us a service in having this question placed on today's agenda, for the simple reason that all too often our relations with the USA have, unfortunately, been ambivalent. On the one hand, we suffer from certain political complexes, on the other we have what are, without doubt, normal tensions between Europe and America, because trade matters are always fraught with tension, although we must also recognize that the American politicians are realistic enough as regards economic policy matters to know that such tensions are unavoidable.

I think we Europeans ought to come up with something in this respect. We must not forget that our freedom and independence, the very fact that we are here today, is due to the fact that the Americans are still in Europe as part of NATO. Without them we would not be here today and could not speak our mind.

Not least of all, we should be blaming ourselves for our trade tensions. People like complaining at great length about the American dollar, but forget that the American dollar would never have been a problem for us if we had advanced, in keeping with the times, along the path of European union, which would have made it possible for us to introduce a European currency equal, perhaps even superior, to the dollar. This is the reality of the tension between us and the Americans, and not so much Washington's present policy.

We ought to learn something from all of this. We should have a clearer European policy in order to press our economic interests more clearly *vis-à-vis* the USA. I believe this can lead to a real, healthy and mutual relationship.

Sir Fred Catherwood (ED). — Mr President, this group will with great regret vote against the Prag motion because, unfortunately, by the time we saw it it was too late to amend it. There are bits that are good, but there are bits that are extremely bad.

Of course, we agree with paragraph 2 that it is the domestic policies of the United States which have caused the deficit in trade, and particularly their

refusal to raise domestic taxes and their financing of the resultant huge internal deficit by very high interest rates which have raised the international value of the dollar to totally absurd heights, greatly damaged American exports and given rise to these tremendous protectionist pressures which we now feel. But as the dollar falls, those protectionist pressures will fall too. It is very important not to damage this relationship by having a trade war with the United States at the height of a protectionist pressure which will go when the cause of that protectionist pressure, which is the high dollar rate, goes too.

At the meeting with the Congress last week, this Parliament's delegation made the case against high US interest rates most forcibly. I do not think that any Member of this Parliament would complain that we did not put Europe's case vigorously to the United States. We pulled no punches. We said all of these things. But the answer on our side is that we have to build a European Monetary System, and my group has now taken a public position in support of the next step in the building of that system, which must be the entry of sterling into the European exchange mechanism. We do not believe in the meantime in dignifying the Senate committee's investigation by a dramatic over-reaction. The Senate has no power to impose the thing that they are investigating, no power to impose a surcharge. The power to do this lies with the administration. Even at the height of the US election last November, when the maximum protectionist pressure was on the President and the Administration, President Reagan refused all protectionist proposals. He absolutely refused to go along with any protectionist suggestion made to him.

For that reason I think that this is really an unbalanced resolution. It pays much too much attention to a Senate subcommittee which has actually no power and too little to developing the theme in the other paragraph. What we need to concentrate on at our end is the attack on high interest rates, those high interest rates which have taken away all our currency. We need a monetary system as strong as the dollar and we need a capital market as open as America's.

The relations between the two superpowers is a subject that is far too important for the hasty urgent motion that we have before us, and for those reasons, regretfully, we reject it.

Mr Bonaccini (COM). — (*IT*) Mr President, last week many of us were able to witness clearly the extremely offhand attitude of the parliamentary delegation from the United States towards various agricultural problems lying behind important conflicts of interests between us and the United States of America. Sir Fred Catherwood drew attention to this just now. We were able to ascertain how absurd the position adopted by that delegation was, and this led to the need for a more general discussion on the wide range

Bonaccini

of problems confronting us. The matters have already been agreed upon to a large extent in this House, but not everybody is convinced yet, and thus it would be as well to point out the progress which has been made.

Clearly, tackling this type of problem calls for a reassessment of our attitudes and guiding principles in the domain of agriculture. I agree with all those Members who point out the need to defend the common agricultural policy manfully, but it is precisely in order to defend it in the best possible way that we should commit ourselves to its reform, rendering it more effective and realistic as Mr Andreotti, the President-in-Office, said yesterday.

My group supports the two motions tabled here today, even though we believe they are rather extreme with respect to some points of the motion tabled by Mr Woltjer and others, and this is something we also feel about the hasty threat of immediate retaliation, as requested in the motion submitted by Mr Prag and others. However, I confirm that we will vote in favour of the two motions.

Mr Ulburghs (NI). — (NL) Mr President, the American measures are further proof that the economically strong nations are quite prepared to ignore international agreements if their own economic advantage is at stake. It seems to me, therefore, that we must first strengthen the internal European market and secondly reduce our economic dependency on the United States in order to increase Europe's economic independence. Thirdly, European production should be in tune with European needs so that we can achieve European economic self-sufficiency or self-reliance and, fourthly, our own European currency, the ECU, must be strengthened with regard to the dollar, which has become not only a symbol of economic strength but also an instrument to impoverish the economically weakest nations both in Europe and in the Third World.

Mr Tolman (PPE), Chairman of the Committee on Agriculture, Fisheries and Food. — (NL) Mr President, our Group considers that the Woltjer motion has been very properly put forward as an expression of our concern about the situation arising from the attitude of the United States. A trade confrontation is in nobody's interest. In the event of a real clash, there could be no winners, just losers. Both sides would suffer.

Surely the situation is that we have two continents, America and Europe, whose interests very largely run parallel. Nobody could deny that both the United States of America and the European Community are world leaders in agricultural trade. A necessary footnote to that world leadership — and perhaps what has evoked concern among the Americans — is that Europe and the European Community are obviously about to surpass America in this field. The statistics

show a clear trend and there are no limits to that growth — it is just that the increase in agricultural production and production potential is rather greater and more dynamic in Europe than in the United States.

It cannot be denied both the United States and the European Community are currently engaged in a serious attempt to reduce the problem of surpluses — although I feel that complaints about these are sometimes rather exaggerated. The consequences have been a whole range of painful and sweeping changes both in the United States and in the European Community. The attitude of the United States cannot be justified and I believe — in common with Mr Woltjer — that we have to go back to the negotiating table because a walk-out does not help anybody. Further, it would give rise to an unpredictable situation. I hope that the United States will view these statements in the European Parliament as a serious warning.

We cannot afford to have any dislocation of world trade. Consultation is therefore essential as well as policies aimed at achieving our goals and using the surpluses that are produced — in our joint interest — to help the poor countries.

Mr Chambeiron (COM). — (FR) Mr President, the US agricultural trade offensive did not start today but, because it has not met an adequate response, it is now in the process of expanding and developing in all directions.

Having imposed a ceiling for cereal exports on the Community, the USA has concentrated its blows on the dairy sector. It quickly achieved, in dictatorial manner, a reduction in Community production by introducing quotas. Spurred on by its success, it has just withdrawn from international agreements on dairy products with the undisguised aim of making it possible for it to engage in an export free-for-all unchecked. At the same time the USA is preparing a new law aimed at a sharp reduction in support for its agriculture compensated by an increase in export subsidies, which has already enabled it to seize several traditional grain markets in North Africa. It is also stepping up its pressure within GATT, even up to the point of threatening to withdraw, in order to obtain renegotiation of the GATT agreements and to strike new blows at the CAP.

Experience shows that far from stopping the American offensive, the Community's concessions and retreats have only helped to encourage it. Thus a different kind of action is called for, we must show greater firmness, without hesitating to inflict retaliatory measures. Blows must be answered by blows, and the Community has the means to do this, if you remember that the Community has a large agricultural trade deficit with the USA in almost all sectors.

Chambeiron

While resisting pressures from the USA, the Community should make a more active contribution to organizing world markets and should affirm with greater vigour its role as an exporter, which should be reflected in a strengthening of the common agricultural policy via, in particular, the introduction of long-term contracts.

Our analysis and our proposals are at one with those contained in the Woltjer resolution, for which we will vote despite certain reservations about its wording.

Mr Andriessen, Member of the Commission. — (NL) Mr President, it is understandable that the two topics now on the agenda have caused concern and the Commission is, accordingly, grateful that they are now being discussed in Parliament.

May I first make just one comment on the Prag motion. While it is correct that the Budget Committee has requested the Congressional Budget Office to provide an analysis of a hypothetical additional levy on imports to the United States, the Commission has at present no information at all to indicate that serious discussions are taking place about an import surcharge either in Congress or within the American administration. Nonetheless, it is widely known that a number of business sectors are trying to promote this notion, particularly in Congress, which is doubtless very worried about the enormous trade deficit of the United States of the order of 125 thousand million dollars for 1984. At the same time, Mr President, and without wishing to underestimate the pressures that can be applied by American business interests, I am convinced that both Congress and the Administration are aware of the disastrous effect such a measure would have on international trade. It is therefore very important to realize just what is at stake in both economic and political terms. It is obvious, and has been pointed out by many in this Assembly, that the real underlying reasons for the American trade deficit very largely result from the more general aspects of American economic policy. That is also well understood by Congress and the Reagan administration.

However, Mr President, I would add that should the United States, contrary to our expectations and quite unreasonably, seriously consider imposing such a levy on imports, the Commission will of course not hesitate to do what it can, taking into account our rights and obligations under the GATT agreement, to either check this initiative or to find an appropriate answer to it.

Mr President, concerning the United States withdrawal from the GATT agreement's provisions on dairy products, in other words the motion for a resolution tabled by Mr Woltjer and his associates, I would like to make the following comments. We were informed by the United States of its announcement to the GATT that it intended to withdraw from the interna-

tional agreement on dairy products. In general, the Commission agrees with the way Members have analysed the situation. The United States' renunciation of this international agreement has, after all, come precisely when the Community is engaged in reforming the common agricultural policy, particularly in terms of limiting milk production. This process of reform and restructuring is, Mr President, completely in accordance with the wishes of all our trading partners and is certainly causing our producers considerable problems of adaptation. The attitude of the United States is all the more surprising because that country has declared itself in agreement with the resolution adopted by the International Dairy Products Council on 16 November 1984, whereby the EEC was strongly encouraged to continue its policies aimed at reducing stocks and thus lightening the pressure these exert on the market. The same resolution also stressed that the present situation made close cooperation between the participants more necessary than ever. In bilateral talks held during December with Mr Schultz and his colleagues, the Commission informed the United States of the implications of its decision.

The Community continues to support a multilateral approach to finding solutions to the problems of international trade, and this remains true for these sectors as well.

The United States' withdrawal will be put on the agenda of the GATT's International Dairy Products Council which will meet in late January or early February, and which will, of course, discuss the implications of this measure not only for the Community but also for other important trading partners such as New Zealand and Australia. It goes without saying that at the next meeting of the International Council the Commission will defend the interests of the Community. We can of course, not exclude the possibility that if the situation as seen by the United States remains as it now is, the Community may in turn find itself forced to withdraw from this international agreement.

President. — The debate is closed.

(Parliament adopted the two resolutions)

Fruit and vegetables

President. — The next item is the debate on the motion for a resolution (Doc. 2-1381/84) by Mr Bocklet and others on criticism of the destruction of fruit and vegetables by the European Community.

Mr Bocklet (PPE). — (DE) Mr President, ladies and gentlemen, this urgency has been provoked by an announcement made by the consumer association at

Bocklet

Christmas. According to them the European Community will destroy one million tonnes of fruit at a cost of DM 550 million in the coming months.

It is perfectly understandable that an announcement of this sort, considering the famine in many parts of the world and particularly in Ethiopia, should provoke a public outcry. I very much regret the fact that some members of the SPD are jumping on the band-wagon and harnessing this horror. I might mention the names of Messrs Seefeld and Rogalla, who unquestioningly accepted this announcement without investigating it more thoroughly. The announcement which I have just quoted to you is wrong. It is wrong on four counts which I will list briefly. Firstly it gives the impression that intervention buying of fruit and vegetables is tantamount to its destruction. Secondly it conceals from the public what a small percentage the quantity bought into intervention is of the overall production. Thirdly it misleads the public by including appropriations for income support for farmers in the cost of the destruction of fruit and vegetables, which means that these expenses are charged up to the cost of destroying fruit and vegetables whereas in fact they constitute supplementary income support for farmers.

It also conceals the fact that a large proportion of the fruit and vegetables bought into intervention is not destroyed but is in fact put to some use. The committee went into this problem in great depth two years ago and expressed a very different opinion on the matter. In connection with this I would like to thank Mr Wettig of the SPD for his cooperation. We arrived at a common assessment of the problem with the Socialists on the committee. A relatively small percentage of the total production of fruit and vegetables is bought into intervention every year and this percentage varies according to the success of the harvest and according to the individual production sectors. A half to one third of the produce bought into intervention can be put to another use and the money thus committed goes towards income support in agriculture.

If we in Europe wish to ensure an adequate supply of home grown produce we must accept the possibility of creating surpluses due to the crops' dependence on weather conditions. I emphasize this without wanting to justify either surpluses or their destruction. On the Committee for Agriculture we have come up with very clear ideas as to how the present system may be improved.

Mr Seefeld, it is not enough to be horrified: improvements must also be suggested. This is what we did two years ago and if you look up the motion for a resolution you will discover all these demands, to which your colleague Mr Wettig also gave his support. It is of paramount importance to expand transport and storage capacity, to organize more effectively the distribution of bought-in produce to charitable organizations and to ensure that the public receives correct and reliable information on this whole issue. Hence the

actions of the consumer association only succeeded in shamefully misleading and deceiving the public.

(Applause)

In my opinion we should not latch on to this outcry for our own ulterior motives. Such behaviour is beneath the dignity of this House. We would do much better to concentrate our efforts on solving the present problems, which I certainly have no intention of covering up.

Mr Seefeld (S). — *(DE)* Mr President, ladies and gentlemen, despite Mr Bocklet's agitated state we shall be voting in favour of the motion, even though there are certain passages which could be improved or even completely amended. But what we are concerned with is that Parliament should speak for the people of the Community. They have quite clearly and unequivocally described the destruction of food in the Member States as a scandal, and I fully agree with them.

I am not concerned with the amount of food being destroyed or with the arguments which you, Mr Bocklet, have put forward again today. What I am concerned with is that at a time when many parts of the world are suffering from hunger and deprivation, people are enraged to see food being destroyed in the Community. All the reasons which you have given are true. But go one step further and join us in acting as the mouthpiece of enraged public opinion to ensure that all the statements made in all the documents are implemented at long last.

We say, let there be no more destruction of fruit and vegetables in the Community. In your motion for a resolution, Mr Bocklet, you suggested one or two sensible changes. My group has also tabled an amendment pursuant to Article 47 of the Rules of Procedure which we should like to have discussed by the relevant committees. Indeed, we do not merely intend to raise a few sensible suggestions here today, but over the next few weeks we would like to set our course in the right direction.

This is a subject which should be debated not only by urgent procedure. The following measures should be taken without delay: the Commission should amend its administrative procedure to ensure that fruit and vegetables bought into intervention in the Community are no longer destroyed. The Commission must be required to use more and more of the surpluses in other ways; the possibilities of making non-marketable products available for social welfare and charity purposes should be extended.

Lastly, we want the Committees on Agriculture and Budgetary Control to cooperate in carefully examining the intervention mechanisms for fruit and vegetables and to submit proposals for changes.

Seefeld

I hope that the new Commission will show more imagination than the old one, that the importance of this subject will no longer be minimized and that it will take sensible action in this field. I shall help to find sensible solutions, not only on my own but also in the Committee on Budgetary Control.

Mr Gatti (COM). — *(IT)* Mr President, I find it odd that the destruction of fruit and vegetables is regarded as an urgent problem, but that the destruction of milk is not, because storing butter until it is unfit for consumption surely amounts to the same thing as destroying it.

The Community is wasting all the surplus products. In the case of fruit and vegetables, we have surpluses, but not of all products. These surpluses exist because the Community is not respecting the principle of preference, leaving us wide open to other goods from other countries. There is no control on the quality of the goods destroyed.

Thus, although the problems and requirements which the motion list do exist in the sector as a whole, one fundamental point is missing — and this is what Mr Bocklet should have proposed. My group would like to see it included in the proposed amendment: adequate, new and officially recognized regulations governing information — on the same lines, Mr Andriessen, as those for the other production sectors — are needed for the fruit and vegetable sector.

I hope that, if they really want to find a solution to these problems, the Commissioner and the other groups will agree that this is needed.

Mr Graefe zu Baringdorf (ARC). — *(DE)* Mr President, the request for debate by urgent procedure of the motion for a resolution on criticism of the destruction of fruit and vegetables in the Community is based on the view that it is dangerous to focus public attention on this problem since the foods destroyed, and the quantities involved, are of little significance. They might, and here I quote, 'provoke hostility among the people of Europe to the common agricultural policy and the European Community in general'. End of quote. That is precisely the problem we are concerned with.

The quantities of fruit and vegetables withdrawn from the market by the intervention procedure are small compared with the enormous quantities of other foodstuffs withdrawn, for example milk. Indeed, the entire Community farm policy is a system for the squandering of resources, food and human energy. However, as is permissible under this system, the food processing industry and multinationals earn millions by this destruction and exploitation at the cost of the small and medium-sized holdings, and the idea here is to prevent people from realizing the true state of affairs.

The information requested from the Commission by urgent procedure is in effect an invitation to blur the realities of the situation. For if the consumers in the Community, the starving people in the world and those working on small and medium-sized farms recognized their joint interests and acted accordingly, things would get hot for the money-makers and their political representatives — and I include you among those, Mr Bocklet!

The motion expresses regret that for technical reasons fruit and vegetables cannot be made available to the starving in the world in the same way as milk and cereals.

There is the motion for a resolution by Mr de la Malène, who wants to increase food aid; but here too we must make it quite clear that this is no real aid and is a hypocritical measure. It would be paid out of the development aid fund, which means that the fund would finance the food industry. Secondly, it would prevent production of domestic crops in the countries concerned. Thirdly, surpluses are created by imported feedingstuffs, which means that more markets would be destroyed if the produce were returned to those countries. This twin mechanism would thus destroy small-scale agriculture both here and elsewhere, and the cost would be borne by the consumer.

Mr Ulburghs (NI). — *(NL)* Mr President, millions of people are now dying of starvation in Africa and some are suffering from hunger even in Europe. At the same time we are having to destroy fruit and vegetables that are the result of hard work on our own European soil. Mr President, what kind of a Europe are we living in? I therefore suggest that we should produce as much as we need, stimulate self-sufficiency and support small-scale agriculture so that every farmer can earn a decent living. Self-sufficiency in Europe will be an example to encourage self reliance in the Third World.

Mr Andriessen, Member of the Commission. — *(NL)* Mr President, it is quite understandable that there has been a great stir as a result of published reports of the destruction of fruit and vegetables which has occurred partly as a result of the package of measures agreed some years ago for this sector.

I would point out here that published comment on these matters has very often been inexact and incorrect. I think that Mr Bocklet was right to point this out. A first priority, and it now seems to be the first point at issue today, is the question: is there a better method of getting the message across about what is and is not the intention behind the systems we now have? There is one comment I do want to make here. Destruction of fruit and vegetables is not one of the officially approved uses of produce for which payment is made by the EAGGF. It is not part of the system but where — and it certainly cannot be avoided in this sec-

Andriessen

tor — surpluses occur which cannot always be marketed in any other way — and there are any number of methods to stimulate sales so that the vast majority of goods in respect of which the EAGGF intervenes are in fact marketed — then a situation can arise that provokes a concern for which the Commission has complete understanding.

Mr President, on behalf of the Commission I therefore conclude from this debate firstly that we have to undertake more wide-ranging and intensive publicity activities and we have, in fact, taken a number of steps in this direction. Those involved here know about them but they have made insufficient further impact and I propose to take additional action on this point.

The second question that arises is whether the system is working as it ought to. Mr President, the Commission has of course tried, within the complicated framework of the fund, to implement the system to the best of its abilities. Nevertheless, without at this time going into specific details, I am prepared to discuss with the Committee on Agriculture, Fisheries and Food how improvements can be made to the system so as to minimize the kind of problems we are now experiencing. I rather doubt, Mr President, that we can develop a system that will solve all possible problems but the Commission earnestly desires meaningful discussions with the committee.

President. — The debate is closed.

(Parliament adopted the resolution)

The Prevention of Terrorism Act in the UK

President. — The next item is the joint debate on:

- the motion for a resolution (Doc. 2-1379/84) by Mrs Crawley and others on the abuse of the Prevention of Terrorism Act in the United Kingdom;
- the motion for a resolution (Doc. 2-1417/84) by Mrs Banotti and others, on behalf of the Group of the European People's Party, on the use of the Prevention of Terrorism Act by the British authorities.

Mrs Crawley (S). — Mr President, I welcome this debate in a Parliament which has many times been courageous and out of step in its defence of civil liberties in Europe. The Prevention of Terrorism Act in the UK is a monstrous intrusion into the civil liberties of thousands of men and women over the last 10 years of its unhappy existence. The reason why this debate is of extreme urgency is that while we have been in recess during Christmas and the New Year, a sinister series of detentions has been made against Irish people in the

United Kingdom. Three of those people were held for seven days before one was released without any charge and two were charged with giving a false name. Yes, to give a false name, to be drunk and disorderly, to try and board a ferry without paying are all unwise and unnecessary things to do, but they do not warrant being held incommunicado for seven days and treated as a terrorist.

Let me make one thing abundantly clear, Mr President; those of us who believe it is our responsibility as public and political representatives to speak out against this draconian Act do so as defenders of innocent people's highly vulnerable civil rights, which can be totally surrendered under this present Act. We do not stand in defence of terrorism and never have. We have continually condemned the philosophy and the practice of the terrorist, whoever he or she is and wherever they come from, because terrorism is the ultimate crude destroyer of civil liberties, because it destroys the ultimate individual right to life.

What we are saying loudly and clearly is that this Act has nothing to do with preventing terrorism. As the figures show, just over a hundred people have been charged with prevention of terrorism offences out of the 6 000 people who have been ripped from their homes and their communities by this Act. When you are arrested under the Prevention of Terrorism Act in the United Kingdom, you totally surrender your normal conventional civil liberties. You have no right to ask where you are being taken and how long you will be held. You are then, at the end of seven days, as in the case of several thousand people, thrown back into your communities, always stained with the brand of being a terrorist or suspected of being a terrorist, and you become the human *débris* of bad law. A piece of legislation which has only charged 2.7% of those held and intimidated by its gross and all-embracing power is bad law, is law which has no place in a free and democratic society, does not halt serious terrorism but creates fear and intimidation and suspicion among a huge community of people living in the United Kingdom — in this instance the Irish community, of which I am a member and proud to be.

When in the 1950s Ireland exported her only resource, her unemployed people, thousands of Irish people came to find work in the United Kingdom. They helped to build the prosperity of the United Kingdom at that time. They were integrated harmoniously into the population of the United Kingdom. However, in November 1974, because of the British Government's political inability to resolve the then current issues of Northern Ireland, the monstrous Prevention of Terrorism Act was created. Its creation paints an invisible line over which Irish people must not step in the United Kingdom in their articulation of their legitimate concerns. They may not form legitimate political pressure groups, cultural or educational groups without those groups being discredited and the members of those groups being intimidated. Irish people living in Britain

Crawley

have every right to be awkward and bloody-minded in their analysis and their criticism of the British Government's work in Northern Ireland. And the British Government has a duty to defend that right, not to treat those articulate undaunted men and women as being suspected of terrorism.

In the United Kingdom the police have increasing powers in conventional criminal law to fight terrorism. The Protection of Terrorism Act is simply and crudely an instrument of intimidation.

Mr President, finally, Europe has a long and painful history of resistance to governments and to laws which first alienate minority populations and then silence them. In our votes at the end of this debate let us prove that we have long memories and that we have learned from that painful experience and that Irish people have the right to say: I do not agree. Let us call on the British Government to repeal this Prevention of Terrorism Act.

(Applause)

Mrs Banotti (PPE). — Mr President, you will note that my motion for a resolution also starts by acknowledging the long-standing and harmonious relationship which has existed between the British people and the people of our two islands resident in Britain.

But I rise, as a matter of urgency, to have the Prevention of Terrorism Act debated in this House because my own government has been subject — in my opinion, quite legitimately — to enormous pressure from our people resident in Britain in front of the use of this Act within the British Isles. For many years, during what could truthfully be described as the Irish Diaspora, many thousands of Irish people have emigrated and made their homes and found work in Britain. The Irish people have served with distinction in all spheres of British life. Indeed, within this House there are at least as many Irish names of Members on my right and on my left serving with distinction in the European Parliament and originally coming from Ireland.

It is because of the vast numbers of the Irish resident in Britain — over 750 000 Irish people currently living and working in Britain — that I raise, as a matter of urgency, the use of the Prevention of Terrorism Act in the British Isles. Since this Act was passed in 1974, 6 000 Irish people have been arrested in Britain. Out of this number, only 2.7% were subsequently charged and 1.8% found guilty under the Act. This is the equivalent of arresting 75 people for 1 crime.

There is a very real perception amongst the Irish community — and I stress, the responsible Irish community — in the British Isles that this Act is being used to trawl our fish for information amongst the Irish community. Under the terms of the Act, as already stated, a detainee can be held for seven days virtually

incommunicado. They are entitled after 48 hours to request legal help, but that legal help is given under very severely restricted conditions. The detainees' families are not informed of their arrest. The Act is causing extreme concern amongst the Irish community and also the many welfare and civil rights organizations working in Britain and in Ireland. Many of those who are arrested and then released later have to return to their own communities with the stigma of arrest and detention hanging over them although they are, in fact, innocent of any crime.

Irish workers, Community workers have faced difficulties in transit. Members of this Parliament have been stopped on their way to carry out their duties in the European Parliament.

However, I am informed that the Home Secretary of Britain, Mr Leon Brittan, has appointed an official to review the Act when it is due for renewal next year, an indication, I feel, also perhaps of the concern of the British Government in this matter. Our own embassies and government have been very extensively lobbied by many responsible groups within Britain to take care of the civil and human rights of our population currently living and working in Britain. We must, and we do, respond to that pressure on behalf of our people.

I ask this Parliament to support my request to have the terms and the implementation of this Act investigated. I am fully aware of the need for suitable but just legislation to control terrorism. The spectre of terrorism threatens all our countries within the Community. My own government, the British Government and, indeed, all the governments of the Community are confronted with the responsibility of protecting the lives of innocent people from terrorist bombs. However, if excessive and harsh measures are taken in the name of the security, they have the effect of alienating those whose only wish it is to live peaceful and law-abiding lives. I would stress that alienation is a considerably more difficult problem to confront in the end than many of the other problems which this Act was set up to deal with.

(Applause)

Lady Elles (ED). — Mr President, these two resolutions before the House are of course very different in content and in tone. We have just had a full debate earlier this morning on the effects of terrorism, both national and international. And I believe that those members of the British Labour Group who happened to be present for that vote in fact supported those resolutions, which asked for measures to be taken against terrorism. The House is, therefore, fully aware of the criminal attacks on the lives and freedoms of innocent citizens. Have they already forgotten Yvonne Fletcher, attacked by Libyans? Have they already forgotten the bomb intended to kill the whole of the British Cabinet? Yet now we have Mrs Castle, of all people, and members of the British Labour Group asking

Lady Elles

for non-renewal of the United Kingdom Prevention of Terrorism Act. Has she already forgotten that she was a member of the Labour Government which introduced that Act in 1974 . . .

(Applause from the European Democratic Group)

. . . and which renewed that Act systematically until 1979, when, fortunately, they came out of office? Some of the signatories even to this resolution — I know they failed to get back into Westminster but I believe many of these were members of the Labour Party in Westminster presumably supporting their government and the Act: Mr Cryer, Mr Huckfield and Mr Newens, to name some of the ones I know — have they now withdrawn their support for the previous Labour administration's legislation? They appear to have lost all sense of responsibility for the lives of the people of the United Kingdom since they joined this Parliament.

Has the heady effect of membership of this Parliament, which they seek to deride so systematically and continually in the United Kingdom, enabled them to forget that they still represent the British voters who elected them to this place and that they are now in pursuit of a policy in support of violence and destabilization of our own way of life? Have they already forgotten that they supported the resolution on the bombing at Brighton? Have they already forgotten that they supported the resolution on the attack on the life of one innocent citizen, namely Policewoman Yvonne Fletcher?

I would remind Mrs Crawley in her support for civil liberties that the greatest civil liberty, the greatest human right, is the right of life. She might remember that. The aim of civil rights is to protect life. They protect the citizens of our country or any other country. This they have forgotten so quickly. Mrs Crawley speaks of *only* 100 people being charged with terrorist offences — 100 terrorist charges! You know that it only takes 1 terrorist to plant a bomb to blow up the whole of the British Cabinet if they are successful. One hundred is an enormous number, and I give the British police credit and praise for that.

(Applause from the European Democratic Group)

I ask Parliament to reject that resolution.

Mrs Banotti's resolution is different. I understand her concern for her fellow-Irish citizens who happen to live in the United Kingdom. We welcome them in the United Kingdom. They live with total non-discrimination as British citizens. As she will know, they have the right to elect our MPs; they even have the right to stand for election in Westminster. We are the only two Community countries which never in our history have used passports, and it is therefore obvious that there is going to be some control of those who come and go between our two countries. I would assure Mrs Ban-

otti that the Irish Government is just as concerned about acts of terrorism and the prevention of terrorism in relation to people entering their country. Of course we must have mutual support and cooperation in catching terrorists who operate in both her country and mine. I would remind her that already there have been 11 Irish police killed in Ireland as a result of terrorist activities — in case she needs reminding. Seven people were arrested recently — and I must inform the House of this, because there has been a lot of misinformation — of the seven who were arrested two were regrettably over the limits of alcohol . . .

President. — I am afraid I must ask you to conclude, since your speaking time is up.

Lady Elles (ED). — I must insist on continuing for one more minute on this matter — two no were released and five have been held on serious charges.

Mr President, you have had misinformation. The Prevention of Terrorism Act is reviewed constantly by the British Government. It is passed constantly and systematically and democratically by the Houses of Parliament.

President. — Lady Elles, I must ask you to stop now.

Lady Elles (ED). — There is a review the whole time in the House of Commons by the Home Secretary. This is nothing new and this will continue.

(Applause from the European Democratic Group)

Mr Ducarme (L). — *(FR)* Mr President, I would not like to interfere in an Anglo-Irish debate but I should nevertheless like to explain the reason for the way in which the Liberal and Democratic Group will vote. We consider that there is in fact a contradiction between the vote by the Socialist Group this morning and the motion for a resolution which has now been tabled. You cannot ask for a European legislative arsenal while at the same time asking for a legal void in one of the Community countries. This is why we shall vote against the motion by Mrs Crawley.

As regards the other motion, I think we shall be able to vote for it as long as it really is a request for an enquiry and as long as the attitude of certain representatives of the British Government in international institutions gives us some grounds for hoping that this request for an enquiry might actually be met.

Thus we say no to the first motion, the one by Mrs Crawley and others, and we say yes to the motion by Mrs Banotti.

Mr Lalor (RDE). — Mr President, I would remind Lady Elles that I not only voted for the resolution con-

Lalor

demning the Brighton bombing but also spoke. I do not take back anything I said on that occasion.

I want to say here that I support both those resolutions, particularly the British Labour Party's condemnation of the misuse of the Act and its demand that Mrs Thatcher's Government stop the renewal of this oppressive Act because of its misuse. May I say to my Irish colleague in the EPP that calling for an investigation into recent assertions, while supportable, will be unproductive at this particular stage with the out, out, out all options' woman who is in charge of the situation in Britain at the present time.

(Applause from the left — Interruptions by the British members of the European Democratic Group)

Mr President, I must be given an opportunity to speak. I am being heckled here and abused, as usual, by those people who claim to be the champions of free speech.

The misuse of the Prevention of Terrorism Act against the Irish is abominable. Irish European Parliamentarians are also subjected to this kind of abuse while passing through British airports. The House will therefore appreciate the problems faced by 6 000 Irish men and woman subjected to a week's incarceration in prison without access to legal advice and help. I do not condone — and I emphatically restate this here, Mr President — acts of terrorism or violence carried by Irish people in Britain. Neither does either of the two motions before us. I want therefore to compliment and praise Mrs Crawley highly for her brilliant exposé of the position. I see no contradiction in condemning this misused act and at the same time supporting the resolution on terrorism being debated here this morning.

I would ask our friends in the Liberal Group to look at them again.

(The President urged the speaker to conclude)

Lady Elles was able to finish her statement. An attempt was made to get her to conclude, but she finished her speech with the statement that there is nothing new and this will continue. I hope she was not talking about the Terrorism Act and that she was not claiming that the misuse of it will still continue. It would be horrible if she were supporting such a position and at the same time speaking against terrorism. This is government terrorism to which Irish people are subjected, institutional terrorism.

(Applause from the left — Protests from the right)

President. — This is not a debate on national legislation, and we cannot continue in this way. Each one is being attacked in turn, so it is fair all round.

Mr Cryer (S). — On a point of order, Mr President. Under Rule 67 I do have the right of rebuttal against

Lady Elles' outrageous suggestion that I voted for the renewal of the temporary provisions act. It was temporary, it has not prevented terrorism and, in fact I voted against its renewal consistently over many years.

President. — The debate is closed.

(Parliament rejected the Crawley motion for a resolution and adopted the Banotti resolution)

South-East Asia

President. — The next item is the joint debate on:

- the motion for a resolution (Doc. 2-1400/84) by the Liberal and Democratic Group on the worsening situation in South-East Asia;
- the motion for a resolution (Doc. 2-1404/84) by Mr de la Malène and Mr Malaud, on behalf of the Group of the European Democratic Alliance, on the political trials in Ho Chi Minh City;
- the motion for a resolution (Doc. 2-1412/84) by Mr Stirbois and others, on behalf of the Group of the European Right, on Communist repression in Vjet Nam;
- the motion for a resolution (Doc. 2-1415/84) by Mr Mallet and others, on behalf of the Group of the European People's Party, on the situation in Kampuchea.

Mr Beyer de Ryke (L). — *(FR)* Mr President, ladies and gentlemen, once upon a time there was a story about a wicked fairy, a distant cousin of the good fairy Carabosse. The story of a people whose destiny she controlled. Many believed or at least claimed to believe that people to be a martyr to its independence and freedom; and after many years they forced the most powerful nation on earth to its knees.

Once it was master of its own destiny, under the leadership of masters whom they elected or who were forced upon them, the country invaded a neighbouring country and began to settle down. Meanwhile, within its own frontiers, the regime became so oppressive that, rather than stay there, thousands upon thousands of the people fled, preferring the risks of an open boat on the high seas to continued oppression. Special camps for political prisoners were set up and, since they were not enough to contain the revolt, the revolutionaries were tried, condemned, and shot.

That, Mr President, is a story from the land of rice fields and highlands, where the greeting is 'Muon-An' — a thousand years of life. And since the story has become a nightmare reality, and that a thousand years

Beyer de Ryke

of life means a thousand years of death, we call upon you to support this motion for resolution, which has the support of the Liberal Group, the Christian Democrat Group, the Conservative Group, and the Gaullist Group. Words, ladies and gentlemen, do not resurrect; they cannot restore Tran Van Bâ, Le Quoc Quan, or Ho Thai Bach to life; but they can cry 'outrage'.

Both Laurent Fabius, who is a political socialist, and Valéry Giscard d'Estaing, a progressive liberal, had intervened and called for mercy. Their only reply was the echo of the Hanoi firing-squad.

Only yesterday — and here I address myself to our French colleagues on the Socialist benches — Mr Jacques Huntzinger, the secretary of the French Socialist party responsible for international relations, declared severely but justly that the present-day régime in Viet Nam is the hardest and most repressive communist regime anywhere.

Tran Van Bâ was professor of economic sciences at the University of Nanterre. He returned to his people to find suffering and death. The motion for a resolution before you is our homage to him, and our moral support to all those who in Viet Nam and Cambodia are working to ensure that a wish of a thousand years of life may one day again be a wish of hope.

(Applause from the right)

Mr Baudouin (RDE). — *(FR)* Mr President, I am delighted that this motion for resolution has been accepted for topical and urgent debate; for a few days it was currency in the world's newsrooms and public opinion, and then, as is so often the case, it was forgotten. Our task in this House is not to forget. In accordance with a scenario which has by now become a classic, a totalitarian regime draws attention away from internal and external problems by staging what they dignify with the name of trial, but what I personally prefer to call a purge. And at the end of such a trial — a sham, parody of a trial, there were five death sentences in Ho Chi Minh City.

Viet Nam is a martyr country if ever there was one and, suffocating under the most implacable communist regime imaginable, its bloodstained present reminds us that human rights, which to them represent a challenge and a threat, are being flouted with a cynicism which defies comprehension. They are a threat to the poor people under the heel of Phan Van Dong, for they must not forget his total power and determination that they must abandon all hope of liberty and democracy. More than ever before those who dare in South Vietnam to show their hopes of liberty are victims of spying, of imprisonment, of deportation and of torture. And regularly the Viet Nam communists find it necessary, in their own words, to make an example.

That is a threat to Viet Nam's neighbours who are fighting for their independence, too. The Ho Chi Minh City executions are a warning, particularly to the Cambodians who, after the monstrous demands of the Khmer Rouges, are now threatened with further foreign domination — certainly less disorganized, perhaps less melodramatic, but no less barbaric.

We can do no more than express our indignation at the summary executions which have taken place in South Vietnam. We shall not forget the sight of the emaciated figures in their ragged clothes, shown so charmingly on the Vietnamese television. And never shall we forget the look of fear, flashing over the faces — fear of the firing squad. And these were dangerous terrorists, bent on overthrowing the regime? This was no more than a sinister farce.

The efforts of the French Government and many leading European figures have led to two of the sentences being commuted to life imprisonment. But there is no knowing what fate awaits the others — more than 2 000 of them, we are told — tomorrow.

In the face of this murderous challenge, we must insist that the Vietnamese authorities inform the families of prisoners, that their visiting rights are respected and above all that defence — proper defence — is available. It is not much, but it is our duty to call attention to crime, injustice and barbarism wherever they occur. And after all, as Camus, who was awarded the Nobel prize for literature, once remarked, 'words can in the long run prove harder than bullets'. We must hope so.

Mr Stirbois (DR). — *(FR)* Mr President, ladies and gentlemen, in Ho Chi Minh City two people condemned to death have been granted a reprieve. They are still in prison. Three others who also received a death sentence have been executed. In Viet Nam it is a crime to be anti-communist. The Saigon regime of 10 years ago was far from perfect, but at least there was an aura of freedom. It's intention was to finally grant its people some happiness after so many years of war and suffering. The Saigon regime, supported by the Americans, was criticized and attacked in all international bodies because it dared to oppose a communist takeover.

In Europe there was a spate of leftist demonstrations supporting the Vietcong, who today seem, even to some on that very same left, to be nothing other than the most despicable of totalitarians. There are more than 2 000 prisoners accused of anti-revolutionary activities waiting to hear their fate. This Parliament should not only condemn this violation of human rights — their lawyers are appointed by the court, the accused are deprived of the right to speak — but must also condemn and denounce the communist regime in Viet Nam. We bitterly acknowledge today the futility of the 'agreements' reached in Paris, which got the authors the Nobel Peace Prize but rewarded South

Stirbois

Vietnam with nothing except deportations, massacres and economic ruin.

Every man and woman who attaches any importance to the values of freedom and justice should support the Vietnamese freedom fighters in denouncing the totalitarian regime which, after failing miserably in its attempts to run the country, is reduced to dealing with peoples' dissatisfaction by means of concentration camps and firing squads.

Finally, it seems to me that those members of this Parliament who have distinguished themselves by their inopportune protests in defence of human rights in Turkey and Chile are proving very silent on this matter. But it true of course that their vision is blinkered when it comes to events on the other side of the iron curtain and in the gulags of the Eastern bloc countries. There is obviously a very good reason for this.

My group will vote in favour of the amendment tabled by the RDE, Liberal and European Democratic Groups. We extend an invitation to them to vote in favour of our motion which, I will just remind you, requests the Commission to suspend immediately all Community aid and relations with Viet Nam until such time as human rights and freedom have been restored.

Mr Mallet (PPE). — (*FR*) Mr President, ladies and gentlemen, this succession of events in South-East Asia arouses our concern and our reproof. First, the Stalinist type of trial which has just been described and condemned, but secondly, and certainly not to be forgotten, the increasingly harsh repression being inflicted on South Vietnam.

Next there is the tragedy of the Cambodian people, under the prolonged occupation of their country by Viet Nam, and aggravated by the large-scale military operations against the democratic Cambodian resistance and, in particular, the battle at Ampil on the Thai border on 7 January last, which involved the use of major military resources. Lastly, there are the acts of aggression towards Thailand, several incursions into Thai territory, and the destruction by a Vietnamese SAM-7 missile of a Thai aircraft within Thailand.

These facts are indicative of the true nature of the present regime in Viet Nam, which wears the apparel of the defender of liberty but is in fact nothing more than another implacable, expansionist, totalitarian regime, like its Soviet model, which continuously flouts human rights, and seeks to dominate the whole of Indo-China and all its neighbours, a threat to liberty, to security and to peace in South-East Asia.

Consequently, in accordance with the United Nations resolutions, we call for the withdrawal of Vietnamese forces from Kampuchea, and for the way to be sought to a political, rather than a military solution, in Cam-

bodia, based on the recognition of the right of the Cambodian people to self-determination, and Viet Nam's respect for the territorial sovereignty and integrity of Thailand. However, we consider that the Community should go further, and we call for negotiations with the ASEAN countries to consider measures which will allow Thailand to deal with the serious problems posed by the presence of almost 200 000 refugees on her territory.

Mr Woltjer (S). — (*NL*) Mr President, no one can speak about the situation in South Vietnam or South-East Asia without taking into account the historical context of all these developments.

Everybody knows how horribly Cambodia was ruled when the Khmer Rouge were still in power. We cannot want to be responsible for the return of that regime and it is frightening to think back to such a situation. We do not want to accept any responsibility for those murders and that genocide.

It is indeed for these reasons that we have always condemned the occupation of Viet Nam and the presence of the Vietnamese in Cambodia. After all, we recognize the sovereign status of Cambodia and its right to self-determination. In so doing, Mr President, we have always stressed that this should under no circumstances lead to the return to power of the Khmer Rouge and the reign of terror carried out there in the past. We want these two elements to be inextricably linked and this is why we believe that the current joint amendment inadequately reflects our point of view and pays insufficient attention to the second element, i.e. a return to the Khmer Rouge regime. Our objection to the existing amendment is not, therefore, its condemnation of the Vietnamese occupation but rather the fear of an eventual Khmer Rouge return. For these reasons we oppose this amendment and feel that we must abstain.

This has nothing to do with one-sidedness or the views expressed here that we are sympathetic to the Vietnamese cause. That has nothing to do with it — what is involved is our concern for human rights, including in Cambodia, and about the situation once the Vietnamese have gone. The Socialist Group is not prepared to accept one-sided human rights policies and it is unjust to insinuate that it does. My group opposes the death sentences pronounced in Ho Chi Minh City just as much as anyone here. We want to stress to the Vietnamese that this is an uncivilized and unacceptable way to govern. We want to make that express statement here and for that reason do wish to support the draft motion by Mr de la Malène. Unfortunately, we must at this moment abstain as a group from voting on the joint amendment over the return of the Vietnamese. It is for that and no other reason and I would like to point out that it is an absolute farce if all those people concerned about human rights suddenly begin to accuse each other of one-sidedness and push into

Woltjer

the background all kinds of political arguments that they themselves had brought to the fore.

On behalf of my group, I want to stress that once again. My group supports human rights quite irrespective of the regime concerned. We believe it is our duty to defend human rights whether these are threatened in Communist or Western countries and, I would like to stress this here again, whatever the political system of that State.

Mr Prag (ED). — Mr President, Viet Nam, whose armies occupy both Laos and Cambodia, whose military forces are greater than those of all the South-East Asian nations put together, is yet again attacking Cambodian resistance forces and invading Thai territory. A Thai aircraft has been brought down. Khmer refugees are again flooding into Thailand, creating vast human problems. Yet every year since Viet Nam invaded Cambodia the United Nations General Assembly has adopted, last year without opposition, a resolution calling on Viet Nam to withdraw its occupying armies from Cambodia and to permit free and fair elections under United Nations supervision. Now Cambodia itself, as indeed the whole of Viet Nam, is suffering from a totalitarian repression which grows more severe each day.

Mr Woltjer's excuse is not good enough. There is no question of bringing back Pol Pot. Cambodia has suffered long enough from two detestable Communist regimes, that of Pol Pot and now the puppet regime of Hun Sen. It is time the United Nations' resolutions were complied with and it is time that Viet Nam left the long-suffering Cambodians to rule themselves.

Mr Natali, Member of the Commission. — (IT) Mr President, respect for human rights is, in our view, a fundamental issue, and we intend to use all the political and economic means available to us, within the framework of the Treaties, to achieve it.

Bearing in mind the political situation in Viet Nam and Cambodia, the cooperation and aid policy adopted throughout 1984 by the Commission was fully in line with the recommendations contained in the European Parliament's Resolution of February 1984 — to give both Viet Nam and Cambodia only the aid which was justified on humanitarian grounds in view of the exceptional circumstances, to avoid redoubling the hardships of the peoples affected.

On the other hand, the Commission has avoided giving any aid, even through non-governmental organizations, if there were any possibility that it could be used to finance the economic consequences of a disproportionate and indefensible military effort.

The Commission has done its utmost to ease the plight of the people gathering along the border. The Com-

munity as a whole, with all its Member States, is the biggest donor to the refugee aid programmes. A special effort was made in 1984, when Community aid was stepped up to some five and a half million ECU, 25% more than the 1983 figure.

We were involved in three projects: one in conjunction with the United Nations High Commission for refugees, for a total of 3.25 million ECU to buy 10 000 tonnes of cereals; the second in conjunction with the United Nations regional organization and the World Food Programme to buy 1 160 tonnes of beans and 975 tonnes of dried fish; and the third, a gift of 300 000 ECU for emergency aid to refugees from the fighting along the borders of Thailand. This medical and food aid programme was followed by the World Food Programme with the cooperation of six European non-governmental organizations.

I can also assure you that the Commission is ready to do all in its power to meet the demands of the different organizations directly responsible for aiding the refugees.

Frequent coordination meetings are held for donors, and the Commission is regularly represented, as it was the last meeting in New York on 28 November 1984.

President. — The debate is closed.

(Parliament adopted Amendment No 1¹ replacing the motions for resolutions Doc. 2-1400/84 and Doc. 2-1415/84 — The resolution (Doc. 2-1404/84) was adopted and the motion for a resolution (Doc. 1-1412/84) was rejected)

Famine

President. — The next item is the joint debate on:

- the motion for a resolution (Doc. 2-1382/84) by Mr de la Malène and others, on behalf of the Group of the European Democratic Alliance, on the delivery of food in the countries affected by famine;
- the motion for a resolution (Doc. 2-1414/84) by Mr Debatisse and others, on behalf of the Group of the European People's Party, on the distribution of food aid in Ethiopia.

¹ Amendment No 1 by Mr Gawronski and Mr Deniau on behalf of the Liberal and Democratic Group; Mr Habsburg, Mr Mallet, Mr Estgen and Mr Croux on behalf of the Group of the European People's Party; Mr Prag on behalf of the European Democratic Group and Mr de la Malène on behalf of the Group of the European Democratic Alliance.

Mr Mouchel (RDE). — *(FR)* Mr President, ladies and gentlemen, the problem of famine in the world is becoming so great that our group has decided to table a motion for resolution which I hope will receive the support of a large majority of the House.

Famine is now such a great disaster that we have a duty to act quickly and seek the most effective ways of putting an end to it. We must decide to send food aid — that is self-evident, but it is not enough if the aid does not reach the starving millions. We must concern ourselves with the means of transporting the supplies.

I shall mention two problems in particular. The first relates to the longer term. Some countries do not have adequate port facilities to cope with the volume of food supplies required by the population. Here we have a manifest need for harbour works to be carried out so that the countries concerned can develop in the future. We must nevertheless face up to an extremely serious situation in the shorter term, and its urgency no longer needs to be demonstrated. For those regions which are remote from the sea, we have the additional difficulty on inland transport of the food. There is no short term answer to the absence of roads and railways, but the problem is aggravated by the almost total absence of transport vehicles.

Would it not be possible to make trucks and drivers available to these peoples until the next harvest — with due care, of course, in selecting priorities? Alas, there still remains the problem of the seasons when transport overland is impossible, and in this particular case, but also in certain other areas where the situation is quite desperate, speed is now the only hope for survival.

I recall the Sahel famine of 1973; at the time French farmers wished to provide direct aid to the people concerned. They did not hesitate to charter aircraft to transport supplies into the heart of Africa. Airfields are still sometimes a good distance from the people, and they then had to transfer the supplies into smaller aircraft and drop them over the inaccessible areas. Could we not do the same again today on a larger scale, using greater resources? And with these means, should we not be helping organize the distribution, to avoid waste and abuse? And why do we not make more use of the network of charitable organizations which have over the years shown their efficiency in the teeth of the precariously small resources available to them.

Mr Debatisse (PPE). — *(FR)* Mr President, ladies and gentlemen, it is the sheer scale of the tragedy of the famine in Africa which now makes it our duty to keep it constantly in mind.

Necessary though such a first step is, we cannot remain content with a resolution such as the one we have already approved, calling for emergency aid to be sent to the famine-struck regions. We must follow that with evidence of our real concern to ensure that our

Community aid is effective; and that is indeed in the interest of the people whom we aim to help. That, ladies and gentlemen, is the purpose of the resolution which I put to you with the support of many members and the Group of the European Peoples' Party.

There is, indeed, ample justification for our concern in the reports of the way aid is being handled, and sometimes even diverted, reports of the impossibility of obtaining a cease-fire which would ensure its proper forwarding, reports — not so widely reported even in our own countries — of the bombing of columns of refugees; ample justification for us to show our determined concern and keep up steady pressure on all the parties concerned: not merely the government of Ethiopia, which can reasonably be charged with serious mismanagement and responsibility for the situation, but also the on governments of our Member States and on the Commission, to ensure that those governments and the Commission have the political courage to take up the defence of these, the least privileged, who are caught in the pincers of rivalries, of interests and of schemes which are beyond them.

Our duty, ladies and gentlemen, is also to lay stress on all the positive work which has already been accomplished, so that it may serve as an incentive, and that the hope it has already brought may be repeated as it deserves. We must make special mention of the continuing effort of the Sudan, whose own difficulties have never diminished the expression of welcome and of solidarity.

That is also the purpose of the reference in our motion for resolution to the partial rescue of the Falasha community. If such a courageous gesture of fraternity could be repeated amongst all those who are in a position to help the famine victims, we would be able to see, in this bleakest of events, the signs of hope which this world so badly needs.

(Applause)

Mr Trivelli (COM). — *(IT)* Mr President, ladies and gentlemen, we shall be voting for the motion for resolution tabled by Mr de la Malène and against that tabled by Mr Debatisse. We shall do so because Mr de la Malène's motion sets out fairly the problem of the practical efficiency of aid, together with its associated problem of transport; Mr Debatisse goes into value judgements of the political situation in the countries which need the aid.

This sets a thorny problem; aid cannot be allowed to be used as a carrot or as a stick; nor can it have attached to it any particular conception, such as our own, of society. There is a famine in Ethiopia, as there is a famine in the Sahel. Our duty is to see to the effectiveness of the aid provided by the Community and our individual nations, without any reference to political judgements.

Mr Ulburghs (NI). — (NL) Mr President, those people who are starving must indeed be helped, but I think a couple of points are apposite.

Ethiopia was once a fertile land of which 70% was under forest. Is any kind of reforestation planned? Is it true that Ethiopia, as stated in yesterday's paper, still exports meat? Should one not attempt to achieve economic self-sufficiency with a network of roads for the movement of supplies. Should one not encourage peace negotiations that recognize the distinctive status of the various peoples.

Mr Natali, Member of the Commission. — (IT) Mr President, the Commission is very well aware of the European Parliament's concern, and indeed shares this concern, about the alarming situation in the African countries hit by the famine — alarming both in terms of the sheer volume of aid needed and in terms of the problem of the infrastructures needed to distribute this aid.

May I remind you of the efforts already made by the Commission, and in particular the commitment made by the European Council at Dublin to send 1 200 000 tonnes of grain to the worst-hit countries. The delivery of much of this grain is now underway.

However, in view of the fact that the 1985 budget has not been approved, it has not been possible to allocate the 200 000 or so tonnes which were to have been financed by appropriations for 1985. We hope that, with the support of Parliament, and in particular with the aid of Mr Galland's report submitted on behalf of the European Parliament's Committee on Development and Cooperation and which we will be examining today, we will be able to find a solution to this problem in the near future.

I would also like, Mr President, to draw Parliament's attention to the report submitted by the Commission in December 1984 on the implementation of the measures agreed on following the European Council in Dublin. The report was sent officially to the European Parliament.

Aid distribution, of course, remains a problem. Speakers have referred to transportation problems. The Member States will, in fact, be supplying Ethiopia with some 500 lorries. It is also true, Mr de la Malène, that these distribution problems are particularly acute in countries with no access to the sea, such as Mali and Chad, and in a number of regions which are a long way from the ports, as is the case in Ethiopia.

In the past, the Commission has financed major infrastructure projects to develop road and rail networks in these countries: the modernization of the Djibouti-Addis Ababa railway, for example, for a total of 5 million ECU, or the construction of the road between Lomé and Niger.

Again, emergency aid has been given to repair installations which have been destroyed, such as the waterways linking northern Cameroon and Chad.

We have already started on the planning for the new Lomé Convention, and we will be giving very careful consideration to any proposal to finance infrastructure measures, or the improvement of access routes, just as we will to any programme concerned with reforestation or combating desertification. These are, of course, only our criteria, and I am sure that you are aware that their achievement will depend to some extent on the priority given to them by our partners.

I share Mr Debatisse's opinion that the lack of infrastructure is not the sole cause for the delay in the distribution of aid. The terrible famine which has hit Ethiopia has, as we know, been aggravated by the conflict in certain regions of that country. We consider that any progress made towards peace would considerably ease the distribution of aid to the people, who are already in grave difficulties.

In conclusion, Mr President, I would like to refer to a point which has often been raised in this House and which we have heard again today. There are rumours that some of the aid may not be reaching its goal. I would remind you that in 1983 the Commission conducted a full inquiry, in direct contact with the organizations working on the spot. This inquiry found no evidence, either on a local or on a wider level, that any aid to speak of was going astray. This was confirmed by the mission sent in June 1983 by the European Parliament's Committee on Cooperation and Development, the conclusions of which were accepted by this House in April 1984 during a debate on the Horn of Africa.

Recently, in November 1984, Unicef carried out an inquiry into this same problem and found no irregularities. As was shown quite clearly in the motions for resolutions, these are basically rumours which have been proved in the past to be unfounded by checks carried out on the spot but which have been resurrected in recent weeks. We will look into whether or not they have any foundation.

Mr President, ladies and gentlemen, with the aid of this House we have done all in our power to combat the terrible famine in Africa, and we will continue our efforts taking into account the observations and suggestions made here today. The Commission will continue to take the greatest care to ensure that the aid gets through as quickly as possible to those who need it today, because tomorrow may be too late. May I assure you, for my own part, that we will do our utmost to ensure that our efforts, which are for all of us not just a political but a moral obligation, achieve their aim.

President. — The debate is closed.

(Parliament adopted the two resolutions)

President

We are now faced with a problem. We must finish the debate at one o'clock. I can only put the motion for a resolution on European Music Year to the vote if no one speaks on it, which is what was decided this morning.

Mrs Larive-Groenendaal (L). — (NL) Mr President, I should like to propose to the House to postpone the vote on this motion until February, since next week the Committee on Budgets is due to come together for a very important meeting at which the whole system of provisional twelfths will be discussed. My group holds the view that, however important European Music Year may be, we would simply be engaging in demagoguery if we now voted for the resolution, since the financial procedure in Article . . .

President. — Under Rule 48 of the Rules of Procedure, I am afraid we cannot do what you suggest, Mrs Larive-Groenendaal.

Mr Hahn (PPE). — (DE) Mr President, all the groups agree that we can vote on this without a debate, since otherwise very many events which are part of the European Music Year will not take place.

(Applause)

Lady Elles (ED). — On a point of order, Mr President. Now that Mr Cryer is in his seat, I believe I owe him a profound apology. I had assumed that he was a Member of the House of Commons at the time the Prevention of Terrorism Act was passed and renewed systematically by a British Labour Government and that he had supported the Labour Government. I understand from what he said later that he had not supported the Labour Government. I just wanted to put the facts right. I owe him an apology for what I believe was a reasonable assumption.

President. — What you say is like music in my ears, but it belongs to another item on the agenda.

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Motion for a resolution (Doc. 2-1369/84) by Mr Hahn and others on guaranteeing the European Communities' commitment to make an appropriate contribution to the organization of European Music Year in 1985 in the light of the rejection of the draft budget for 1985: adopted.

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* *

President. — We cannot deal with the other items. If all the speakers still listed were to speak, it would take

half an hour, and I am afraid it is already too late. We could possibly vote on the two motions for resolutions on the cold weather if no one else asks to speak on them.

Mr Andrews (RDE). — Mr President, I am very anxious to have a vote on the composite resolutions on human rights. I think we ought to do that. We have two minutes and all we have to do is take the vote. There are a number of very important issues contained . . .

President. — I am afraid we cannot do that.

Mr Andrews (RDE). — I just ask for a little advice and direction from you. I wonder, is it possible to have my speech entered on the record?

President. — I am afraid we cannot do that, since this is a joint debate and we cannot pick individual subjects out.

Mr von der Vring (S). — (DE) Mr President, we do not agree that the motions on the cold weather should be dealt with and not those on human rights. We therefore request an adjournment of the sitting.

Mr Falconer (S). — On a point of order, Mr President. Can you advise us what will happen to the resolution on human rights?

President. — The motions for resolutions will become void and must, if necessary, be tabled again. I am afraid I cannot alter the agenda. The questions on human rights come before the resolutions on the cold weather, and I cannot bring any item forward. That is how we always proceed. Anything which has not been dealt with by one o'clock is not dealt with at all.

Lord Bethell (ED). — I am glad you have made that decision, Mr President, and I very much hope that this will be the last time that we get a large number of human rights issues put on the order paper at very short notice, without any reference to the appropriate committee or sub-committee, without any information being made available to Members of this House to enable it to make a properly considered judgment. There is no other subject which is discussed in this way by this European Parliament. It really is treating this Parliament with contempt to ask . . .

(The President urged the speaker to conclude)

I am delighted you have made this decision. I hope this is the last time we shall have a list like this.

Mr Falconer (S). — Mr President, I do not wish to abuse your position as others in this Assembly wish to do. Can you please advise me as to whether the resolutions on human rights will be tabled automatically for the next part-session? That is what I am seeking: information on what will happen to them.

President. — It is Parliament which lays down the order of items. If each group nominates so many speakers on the individual items, the urgent debate is still closed at one o'clock even if we have not dealt with all the motions for resolutions before us. They then become void and must, if necessary, be tabled again.

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

IN THE CHAIR: MR MØLLER

Vice-President

4. Dairy quotas

President. — The next item is the statement by the Commission on the agricultural sector, with particular reference to dairy quotas.

Mr Andriessen, Member of the Commission. — *(NL)* Mr President, in my new capacity as Commissioner responsible for agriculture and fisheries, I am delighted to be able to make a short statement here today. I would like to take advantage of the opportunity first to say something about our short-term plan of action in the field of agriculture, which will probably evoke a certain amount of interest in this Parliament, and then go on to talk about the application of the dairy quota within the Community.

As far as agricultural prices are concerned, I intend to ask the Commission to discuss and determine price levels for the next round before the end of the month. That would allow me to place the proposed prices before the Committee on Agriculture, Fisheries and Food on 31 January. I hope and trust that Parliament will do its very best to come to an opinion over these prices during the March session. The Commission attaches the greatest possible importance to having the Council come to an agreement before 1 April and will do all it can to bring this about.

The Commission also considers it extremely important that the Council, prior to the price negotiations — i.e. no later than the February meeting, manages to decide at least on two matters: reorganization of the wine

market and, secondly, agricultural restructuring policies which are inextricably linked with the market and price elements of agricultural policy.

As far as the first point, the reform of the wine market, is concerned, I would request that Parliament discuss the Gatti report on this subject during its February session and would very much appreciate such action. I consider the restructuring of agricultural structural policy just as important as the modification of market and pricing policy so firmly tackled under the previous Commission. After all, in the long term it is precisely agricultural structural policy, as well as market and pricing policy, which must offer those on the land hope for the future.

As you see, Mr President, we have a great deal of work to get through during the next few months. I am confident that the European Parliament and the Commission see things in the same light at least in as much as recognizing the urgency of these problems. As far as I am concerned, you can be assured that I shall seek close consultation with Parliament and of course, in particular, with the Committee on Agriculture, Fisheries and Food.

I will now go on, Mr President, to make some comments on the application of the dairy quota system. I am very well aware that this is a politically sensitive matter in all the Member States and consequently, of course, in this Assembly as well. I can quite understand that you want to keep very well informed on this subject and on my own part I will provide all possible cooperation whether within the plenary meeting, before the Committee on Agriculture, Fisheries and Food or before the recently formed working party — or should I perhaps call it the supervisory party.

During the December session, Mr President, I was given a foretaste of my new responsibilities when I informed you on behalf of Mr Dalsager, as to how we thought, in December, the system would be applied. I can confirm today that we believe we are on course to keep milk deliveries within the Community below the 99.4 million tonne target set for the current sales season. The most recent estimates available to us indicate that milk deliveries fell by 4% between April and December 1984 compared with the same period in the previous year. That is a clear change in the trend of recent years and is even more remarkable, Mr President, if one notes that there was an increase in milk deliveries of 4% in 1983 alone and that even in the first quarter of 1984 there was still 3% growth. This shows, I think, the very clear difference between developments after the introduction of the system and the trend existing directly prior to introduction.

The reduction in milk deliveries, Mr President, is even more evident in the appreciably greater drop in the production of the major goods subject to Community intervention. During the period April to December 1984, 12% less butter was produced in the Com-

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munity than in the corresponding period in 1983 and in the case of skimmed-milk powder the fall was no less than 20%. You will understand that this fall in production is extremely welcome at a time when we are making great efforts to reduce stocks of butter and skimmed-milk powder. In both cases, the special marketing campaigns we decided on last year are now beginning to bear fruit.

Mr President, the Commission considers it vitally important that this encouraging progress towards achieving production targets is continued during the next few years. We should not lose sight of the fact that the target for the following sales season is a million tonnes lower than the present one. At the last meeting of the Council of Agricultural Ministers, I again stressed that the system of additional levies must be effectively applied throughout the whole Community in accordance with the appropriate directives.

I think it is advisable here to define three separate aspects of this subject. There are, respectively, those concerned with contraventions, finances and directives, i.e. the practical application of the quota system in the various Member States. I left the Council in no doubt — and do not want the Parliament to be in any either — that wherever there is any deviation from correct application of the directives, the Commission will not hesitate to apply the necessary administrative pressure on the Member States to conform with the rules. Procedures have already been opened in some cases of contravention.

As far as the second, financial, aspect is concerned, it was the wish of the previous Commission to safeguard the financial position of the Community. The Commission is responsible for the management of the Community funds, both expenditure and income, and we are required to act like responsible citizens in this. For this reason, in December 1984 and for the first payment due in 1985, we have instituted a reduction in those cases where Member States were clearly in contravention.

Mr President, I don't think it is wise or sensible to have any deep discussion at this stage of contraventions or finances. When the Council of Ministers discussed this matter last Monday and Tuesday, they did not do so either and the Commission's wish is simply that the quota system be applied efficiently and correctly in order to keep within certain products targets. That is the crux of the matter so that it was particularly that point that I posed during the Council meeting and I would like to do the same here this afternoon. In so doing, the Commission is very well aware that the first year in which the system is applied, bringing with it as it does such deep changes in existing relationships, expectations and circumstances, will mean that certain difficulties may arise in the application of this superlevy system. This is true not only of national administrations but also of the dairy industry and dairy farmers themselves.

It was, therefore, partly in view of these considerations that the target for the first year of the system's application was set at one million tonnes more than the final production target. It was for these reasons too, that previous Commission agreed to some delay in the first payment and to it being halved. Similarly the Commission agreed, in the light of experience, to change the rules on applying the system in a number of cases in order to cope with a number of practical problems. In doing this, of course, account was also taken of statements made by this Parliament.

Nevertheless, Mr President, and I do want to really stress the point, a precondition of all this is that the basic principles of the quota system are not attacked and remain completely intact. In other words, the Commission considered that it should respond to the many wishes that were expressed simply by making a number of adjustments that are more technical or legal in nature.

What basic prerequisites are there for progress in this direction? There are two. The first is that the Commission is not prepared to consider any proposal that would result in exceeding, in any way whatsoever, the agreed total dairy quota. In other words, no expansion of the quota. Second prerequisite: nor is the Commission prepared to consider proposed changes that would in fact lead to a formal introduction of a national quota system. Based on these two conditions the Commission presented six proposed amendments to the Council early this week. As I have said these concern technical changes but they will definitely contribute to more efficient application of the quota system during the first year and in some cases will allow a more balanced application. In just one case, the formal opinion of the European Parliament will be required before the appropriate Council regulation can be amended.

Mr President, I hope and trust that Parliament will cooperate in decision-making on this point by issuing its opinion as early as the February session.

On this occasion I want to be fairly brief on my comments on the various changes in the application of this system though, of course, I will go into the subject in greater detail with the Committee on Agriculture, Fisheries and Food should this Committee require such information. Very briefly, therefore, Mr President, I will list six points on which the Commission is prepared to make its directives somewhat more flexible.

Firstly, under exceptional circumstances we are prepared to incorporate 1980 as a possible alternative reference year. This is not an obligatory change but does offer the possibility to make corrective action in extraordinary cases.

Secondly, when a tenancy agreement is terminated, we are prepared to allocate part of the reference quantity to the departing tenant.

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Thirdly, we are prepared to accept a situation in which quantities reserved for direct sales to the consumer are transferred to reserves used for milk deliveries to dairy companies.

Fourthly, in certain areas with very small dairy units, we are prepared to recognize buyers' cooperatives as buyers. Fifthly, in order to take account of certain difficulties, especially in Belgium, in determining the total quantities for direct sales or deliveries to dairy companies, we are prepared to cooperate in transferring 25 000 tonnes from the first category, i.e. direct sales, to the second — i.e. deliveries to dairy companies.

Sixthly and finally, under certain conditions and exclusively — I repeat, exclusively — for the current milk pricing year, we are prepared to go along with a system aimed at smoothing out differences between regions within the Member States so that under certain circumstances it will be possible to balance a shortage of milk in one region against a surplus in another. Such balancing would also be possible within a single region.

These six changes are practical and technical ones to allow the system to function better and more efficiently and to get rid of a few hiccups in the system. What remains unchanged Mr President, is that the Commission is not prepared to tinker with the content, aim and basic principles of the quota system and this also means that when decisions are taken on this subject, and the Commission hopes that it will be very soon, it will not deviate from the basic principles underlying the system.

That, Mr President, was what I wanted to tell Parliament about the Commission's policies under the existing circumstances. I hope that these comments will have shown to all, including the members of this Parliament, that many previously expressed wishes have been fulfilled either wholly or in part and that such an approach can lead not to any weakening of the system's application but rather to the establishment of a basis from which to promote specific, precise and correct application of it during the years to come.

President. — Under Rule 40(2) of the Rules of Procedure, Members may avail themselves of a period of 30 minutes in which to put brief and concise questions to the Commission.

Sir Henry Plumb (ED). — Mr President, on behalf of Parliament I welcome Mr Andriessen as Commissioner for Agriculture. He has the good wishes of all the Members of this House, particularly those directly concerned, on the difficult task he has ahead in dealing with so many agricultural problems.

(Applause)

I was particularly pleased when he said that he hoped to have the price proposals for 1985 ready by the end of this month and that he anticipated that they would come into force — if agreed, as we hope they will be, by the Council of Ministers — at the beginning of the marketing year on 1 April. That is imperative, and I hope that Mr Andriessen's words can indeed be followed.

He has quite clearly given us a general outline of the current milk situation, but I should like to put one or two direct questions related to what he has said. First of all, what progress has the Commission made with those Member States which have not fully applied the quota system? In particular, what response has the Commissioner had from Italy and what further action is he proposing? Secondly, is the Commission proposing to take action against Denmark? I know that this is a matter that was looked at and dealt with by the Council earlier this week. Is the Commissioner able to confirm that Greece has taken the necessary action to introduce the quota system? Can the Commission give more details on the financial deductions which have been made, and what action is the Commission proposing for subsequent months? Is the Commission in a position to confirm that there will indeed be a further overall reduction of 1% in the next farm year? The Commissioner has covered that, but I would like a little more detail on it. Does the Commission now have an estimate of the likely cumulative effect for the full year?

Finally, Mr Commissioner, on the points of flexibility which I really welcome at the end of your statement, could you give us a little further clarification on point 2, which is the transferable amount, a point that I think many countries have very much in mind but find difficulty in bringing about?

Mr Woltjer (S). — *(NL)* Mr President, permit me to echo Sir Henry Plumb's comments and wish the Commissioner for Agriculture the best of luck with his new portfolio.

I have two questions to put to him. Firstly I would like him to tell me how he intends to improve the credibility of the quota system among farmers now that a number of Member States have declared that they are not prepared to collect payment. Following on from that, I would like to know the Commission's position with regard to the intermediate levy on 15 February which has already been the subject of discussion within the Council.

Secondly, the Commission has stated — and I am pleased to agree with its standpoint — that it will do all it can to prevent a national quota system. I now understand that, as a great exception and to provide greater flexibility, 1980 can also be taken as a reference year. I would then ask: how does the Commission see this working? Very specifically, does this

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involve direct rights for individual producers or will it be the case that within a national 'quota', Farmer A may be allowed to produce a bit more but that Farmer B has to take a cut. That means, in fact, that the decision is still a national one so that, in my opinion, there is still a national quota. I would very much like to hear his comments on this matter.

Mr Clinton (PPE). — Mr President, I hope the Commissioner will remember the 12% reduction in butter and the 20% drop in skimmed-milk powder when he comes to the fixing of prices. That is a very big saving and he should know the way farmers' incomes are going.

May I ask him a direct question: whilst every Member State producing milk benefits from the same balancing and can make the maximum use of its production by the distribution of milk quotas around the national territory, is it not a fact that in some Member States there is a central buying agency that can have that big advantage, and is he able to iron that out? I want to ask him particularly if any progress has been made in relation to the quantity in Ireland's case, over which there has been a dispute? I do not think that farmers should be left up in the air as long as they have been. And the figures and the position generally should have been balanced before now. I hope he will look upon that as an urgent matter.

Mr Gatti (COM). — (IT) Mr Andriessen, bearing in mind your undertaking to work very closely with Parliament — which I very much approve, of course — may I ask you three questions.

The first concerns prices. You spoke about deadlines, but the press has given full coverage to the proposals you are going to discuss. In my view it would be a good idea either to completely deny the press reports — but I think that may be a little difficult — or to give Parliament some idea of the criteria you are intending to put to the Commission and which will be discussed.

My second question refers to wine. I wonder if you could be more precise about the deadlines you mentioned. I think Parliament should be able to give its opinion before the Council of Ministers adopts this provision. I would therefore like to ask you whether we can count on the fact that the Council will not decide before Parliament has given its opinion.

My final question concerns milk. You said that the Commission is prepared, in exceptional circumstances, to adopt 1980 as the base year — my copy said 1989, but I suppose that must be a mistake. What is meant by 'exceptional circumstances'? It seems to us extremely vague if there is no precise definition of what it means.

Mrs S. Martin (L). — (FR) I should like to ask the Member of the Commission, as others have already

done, for some more details about the Council's reaction to these proposals.

I should also like to ask him whether in its next proposals on farm prices the Commission will take account of the problems in farming revenue which are arising as a result of the simultaneous reduction of dairy production and virtual standstill in prices.

Thirdly, looking to the future, I should like to ask whether the Commission has yet turned its mind to the future consequences of these dairy quotas taken together with a limit on prices, which not only effectively mean bankruptcy for a good many farmers, particularly those who have invested heavily or who have recently set up on their own, but are also likely to upset the economic balance in a number of country areas.

And finally, I should like to ask whether the Commission has taken account of the potential and need for renewal in these hard-pressed areas, and what possibilities they see for young farmers who wish to set up on their own.

Mr Mouchel (RDE). — (FR) Mr President, ladies and gentlemen, the steep increase we have witnessed in dairy production in certain countries or regions has compelled us to establish quotas, thus penalizing those dairy farming areas where progress has been too slow.

How does the Commission propose to offset this handicap, which penalizes farmers who have not expanded their production so quickly?

Furthermore, the potential for dairy expansion, which is thus closed off in the areas I have just mentioned, is going to make a large acreage available. Will there be some form of Community aid for conversion to other types of production, or for reforestation of the land in question?

Finally, does the Member of the Commission expect any Communities compensation for the closure of dairies producing butter and milk powder, which have not yet been fully paid for, which would enable the milk to be sent elsewhere for more productive conversion?

Mr Graefe zu Baringdorf (ARC). — (DE) Mr President, Mr Andriessen has said that this system ought to be improved and made more efficient. The figures you mentioned — reducing production by 4% — give us the feeling that this is a case of steam hammers being used to crack nuts. One wonders why all this expenditure is necessary. Even though you mentioned a 20% cut in skimmed-milk production and a 12% cut in butter production, overall expenditure has increased rather than declined. It is interesting to note that expenditure on milk substitutes in 1984 increased by

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500 million ECU and by 800 million in 1985, thus ensuring that production can continue and that milk substitutes can compete with surplus milk. Can it be, Mr Andriessen, that when you said that the system ought to be improved and made more efficient, you were thinking of structural policy, for this would be a very worthwhile approach.

In the Federal Republic of Germany over 2 000 million kg of milk are redistributed, and eight times as much in the rest of the Community. In Germany 500 000 cows are being slaughtered, while the figure for the Community is 10 times as high. 80 000 to 100 000 German smallholders are being forced out of production, the figure for the Community being 600 000 to 700 000. This is highly efficient — also from the point of view of the re-organization of the milk market.

I shall phrase my question carefully, as everyone has done, and I would ask you to let me finish. I have looked at the clock and shall claim the same right as everyone else, so that there is no misunderstanding. Please refrain from interrupting me constantly. You may make pertinent remarks, but apart from that I would ask you just to listen.

My question is therefore, is this structural reorganization deliberate policy? Is it deliberate policy to divert more and more milk from basic fodder to concentrated feedingstuffs? Is it deliberate policy to turn more and more from grassland to coastal areas? Is it deliberate policy for milk production, hitherto based on the ecologically more or less acceptable methods of smallholdings, should become increasingly industrialized? And is it deliberate policy to place small-scale farmers in an impossible situation as a result of a price round which, if I understand it correctly, will lead to a drop in prices rather than an increase? They are unable to increase their incomes on the basis of prices, and they are also prevented by the quotas from cutting their costs by expanding production — in fact, they are even making a loss. Structural policy is therefore being applied on a massive scale, a scale unprecedented in Europe since the war.

President. — I would remind the House that question time is not intended to be used for statements.

Mr Sutra (S). — (FR) Mr Andriessen, a few moments ago you started by expressing the hope that the Gatti report on wine growing would be adopted during our February part-session.

Since you yourself broached the topic, Sir, I should like to put two specific questions to you.

First, when the Council of Ministers for Agriculture met in Brussels on Monday this week, 14 January to discuss Community wine growing, did they discuss only the year 1984-85, and what, if anything, did they decide?

Secondly, has the Council yet tackled the question of new Community rules for the wine industry in the light of the Commission's proposals of July 1984 and the Dublin compromise?

In other words, Sir, what can you tell us about the current year, and what can you tell us about the new rules for 1985-86 and the following years? Can you give us any timetable for the forthcoming discussions of the Council and the Commission, and, *à propos* of the Gatti report, can you confirm that you join in condemning the ridiculous manoeuvre of referring the report back to committee when the entire Community, without exception, is impatiently awaiting our opinion on it?

Mr Dalsass (PPE). — (DE) Mr President, I would like to congratulate the Commissioner on his recent appointment and ask him three questions. As far as wine is concerned, we withdrew the report because the Dublin proposals had not been included and the report was therefore incomplete. The Commission is partly to blame for this, since it should not have insisted on Parliament's considering only those proposals which had been submitted earlier. The Dublin proposals should also have been submitted.

I would like to know whether the Commission now intends to remedy this or whether it is up to us to take action. We are ready to act and have included this topic on the agenda of the next meeting of the Committee for Agriculture, Fisheries and Food. But I would like to know whether the Commission intends to help so that the matter may be settled more quickly.

Quotas would seem to be the right approach. At any rate, farmers are now no longer able to secure their incomes on the basis of quantities produced but are obliged to produce less. My question to you, Mr Andriessen, is this: when drawing up the price package in connection with the quotas, should we not make allowance for the fact that farmers can now no longer produce in large quantity to prevent a further slump in their earnings? This seems a fair and reasonable suggestion.

Mr President, you suggested a number of amendments which I agree with. However, one amendment which Parliament has always proposed in the past is missing. More account should be taken of the less favoured regions and mountain and hill areas. Do you not think it would be possible to draw up a special ruling on quotas for such areas?

Mrs Jepsen (ED). — (DA) Mr Andriessen, following on from Sir Henry Plumb's question, I should like to ask the new Commission if it will give up the idea of taking action against Denmark for the way in which it has implemented the milk quota system. Denmark has proved to be the only country which has managed to

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do what the quota system intended, which was to decrease production so that we could get rid of surplus stocks; at the same time, Denmark has made optimum use of the national quota. Other countries which choose to pay for overproduction are admittedly obeying the letter of the law, but not its spirit, which was to get rid of overproduction.

Is not the Commission's impression that the Agricultural Ministers of the European Communities came to the same conclusion at their meeting the other day? I hope that Denmark can now serve as an example for the other Member States instead of being penalized.

I venture to interpret the Commissioner's comments here today as being positive, and as I join with Sir Henry in welcoming the new Commissioner for Agriculture I should like to say that I am confident that this Commission will set out to achieve the overriding political objectives instead of quibbling over the less important, small procedural discrepancies.

Mr Chambeiron (COM). — *(FR)* Mr President, ladies and gentlemen, a number of rumours — not all from the same source — suggest that the Commission's guideline for prices for 1984-85 would result in a net fall of about 2%. Has the Member of the Commission any comment to offer?

Secondly, I am delighted to note that the Commission intends to make proposals regarding prices before the end of this month. I trust that the Commission will keep its promise. My second question, however, is this: listening to the President-in-Office last night I understood Mr Andreotti to say that farm prices could not be fixed before the new budget had been adopted. I may have misunderstood, of course, so please tell me if I have. However, Sir, do you believe that prices can be fixed without reference to the constraints imposed by the budget?

Mr Brøndlund Nielsen (L). — *(DA)* Mr President, Mr Andriessen — whom I also should like to welcome — has repeated his predecessor's optimistic comments on the milk quota system, but I should like to ask him if he really believes there are grounds for so much optimism. Milk production has indeed decreased, but we have not achieved the target figures, and the production quantities established under the quotas are still greater than the amounts actually consumed.

Furthermore, the administration of the Commission seems to me extremely idiosyncratic. I should like to ask the Commissioner what he intends to do to make the system more effective. There are some countries which have not even begun to implement the system and which are just not prepared to pay the penalties. Then there is one country — which just happens to be my own — which has decreased production. The various producers have cut back production but neverthe-

less — and this is totally incomprehensible — the Commission has stopped repayments within the milk quota system, because there is something or other which the bureaucrats are not satisfied with or cannot understand. I simply do not understand it either. The Danish farmers and milk producers have slaughtered cows, they have undertaken less intensive feeding, they have decreased production as the Commission wished, but there is still something which the bureaucrats in Brussels cannot understand. I most strongly urge the Commissioner not only to give us a positive answer here but also, as quickly as possible, to stir things up in Brussels, so that the system can be made to work in a reasonable way.

Mr Pasty (RDE). — *(FR)* Mr President, ladies and gentlemen, my questions relate to the market for beef and veal. Slaughtering dairy cattle has had its effects on that market, and although the steps that have been taken have enabled us to avoid an even more catastrophic situation, they have not really done anything to improve the farmers' position, and we are now in the situation that in some regions we run the risk of farmers giving up altogether, which jeopardizes the entire agricultural future of those regions.

I would therefore like to ask whether the Commission intends to take this particular problem into account when it proposes new prices and associated measures — and in particular whether it proposes to raise the value of the premium on dairy herds — whether it proposes to reduce imports of meat and lean stock from third countries as part of its review of the Community's meat supplies, and finally, whether it intends to take greater account of countryside development in its agricultural policy, particularly by ensuring better coordination between structural measure, especially those for the less-favoured regions and those aimed at managing the market.

Mr Christiansen (S). — *(DA)* For the Danish Members who have already taken part in this debate this is not only a hot potato but an extremely puzzling affair, and your answer has not made it any less puzzling. I understood from what you said that pressure would be put — or had been put — on those who had not applied or adhered to the rules.

Denmark considers that it has adhered to the rules on the super levies and administered them in accordance with the published guidelines. Nevertheless, punitive action has been instituted. I have four questions: was it the old or the new Commission which instituted this punitive action against Denmark by withholding advance payments for the January quarter? In either case, I should like to ask whether the new Commission is standing by this refusal to pay. And thirdly I should like to hear today, precise reasons for these measures against Denmark. And finally, fourthly, I should like to know from the Commissioner: in what form did the

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Commission communicate this decision to the Danish Government?

Sir James Scott-Hopkins (ED). — Will the Commission accept that one of the greatest difficulties I am facing is the frustration of my constituents who are farmers who feel that the quota system is not being applied equitably throughout the Community? Can he assure me and them that, for instance, the Italian farmers, as Sir Henry Plumb mentioned, will in point of fact be subject to the levy?

Secondly, will he elaborate a little more on what he meant when he said that the Commission is not going to allow national quotas? That seems a strange statement in view of what he went on to say at a later stage. If there is to be a revision for next year, is he in a position to tell us that he will be able to cut back the Irish unfounded and unnecessary increase in production that they had last year and reduce it in the coming year?

Mr Ducarme (L). — (FR) My first question: Mr Andriessen, you spoke of transfers between regions, even within Member States. Has Belgium made such a request, and, if so, on what basis? And do you consider that the acreage of pasture farmed can be taken into consideration?

Second question: I believe it is highly unlikely that, as some speakers have said, price proposals such as we have read in certain sections of the press can match the income actually needed for agriculture. I would like to ask you whether in the proposals you are currently putting forward you have provided for any associated measures, and if so, whether they include anything aimed at external agricultural trade, in particular the use of the Community guarantee which might be granted to certain exporters. I think we may now be able to be given some answers.

Mr McCartin (PPE). — I do not want the Commissioner to take my first question as being smart or cynical, but has the decision to bring price-fixing forward anything to do with the rumours we hear that within the Commission proposals are being formulated that price proposals should be either negative or neutral in their adjustments? If so, is the Commission actually bringing forward its price-fixing proposals in order to save money rather than to give the farmers higher incomes earlier in the year?

The second question I want to put to the Commissioner concerns the transfer of quotas. If the Commissioner is against the idea of nationalizing quotas, is this movement of quotas from region to region within national boundaries not a step towards the nationalization of quotas? Also, when the new Commission sat down at the beginning of the New Year to resolve some of the outstanding problems that have arisen,

why was the problem of the Irish quota not resolved without the need for recourse to the Court of Justice? After all, this arose out of a situation where an estimate of Ireland's national production in 1983 turned out not to be correct. It is quite natural that this should happen, and it often happens with the Commission itself. I think this problem could and should have been resolved outside of court, since, in fact, the concessions made to Ireland were in the nature of a regional aid to a country with an exceptional dependency on dairying.

Further, could the Commissioner please explain what he meant by the merger in small farm areas? Did this mean a merger of small farms into larger quotas or a merger of small dairies with no effect on the quotas of individual farms?

My last question concerns the transfer of quotas by the individual who is resigning a lease or whose lease has expired. Will it be possible, if there are national quotas, to take that quota out of Germany and into France if the farmer decides to farm in another place? Why should the same facility not be given to farmers in other parts of the Community, particularly small farmers who want to cease dairy production and perhaps engage in some other use of land? This would mean that farms could become larger and more viable and that the social pressure for increased milk prices which arises in poorly structured dairying areas would obviously be reduced. Would the Commissioner consider, in his structural aid programme, introducing some sort of subsidization for small farmers who release their dairy quotas so that more efficient units can be established?

Mr J. Elles (ED). — Mr Commissioner, I, like my colleagues, welcome your arrival here in your new capacity.

I have a general question for you concerning the price package. Given the mounting concern of the agricultural industry in the Community about its future, given the high level of many products in public intervention and the resulting need to have support systems which guarantee a reasonable level of farm incomes without giving incentives to farmers to increase production, will the Commission undertake to include in its price proposals an undertaking that it will come forward with a document or green paper on the future prospects of the agricultural policy, so that all those concerned by its mechanisms can openly discuss how best such mechanisms can be altered to achieve its objectives, which are becoming increasingly irreconcilable?

Mr Andriessen, Member of the Commission. — (NL) Mr President, I am prepared to answer virtually all the questions that have been raised though I frankly admit that I will need technical advice on a couple of

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them. I shall try to answer as many questions as possible and rely on you to tell me if I am using up too much of your limited debating time.

In view of the interesting comments made, I, don't think it is fair to say that we will discuss them in the Agricultural Committee. Although I would also be quite willing to do this, I don't think it would fully meet the expectations aroused by this debate.

May I begin, Mr President, by saying the following and so simultaneously answering a great number of questions: we are not going to take any measure that would lead to expansion of the quota. That's the first point. All questions concerning transfers, rights for one party and obligations for another will receive a negative answer from me unless they balance each other out. The quotas must remain the same and that applies to the Irish situation as well. When the Council came to its decision, it was in the full knowledge of the figures and the Commission considers itself bound by the Council's decision in view of the difficult discussions that preceded it. Should there be any doubt about the correctness of this approach, it is up to the Court of Justice to rule on the matter. That, no more and no less, is the Commission's attitude.

As far as the problem of incomplete application of the system in a number of Member States is concerned, there are in fact three categories: Member States where nothing has yet happened, Member States where it is being applied more or less inadequately and Member States doing a good job. Where it is not being applied properly, there are no sanctions. Where it is not being applied perfectly, contravention procedures have been started. This applies also, therefore, in the case of Denmark, because the Commission believed that the system was not being correctly applied in accordance with the letter and spirit of the directives. I repeat: that is what the procedures are for. Those procedures will be completed and it will then become apparent who was in the right. Thus in the case of Denmark, specific action has been taken and, as I have said, the normal procedure for contraventions will be followed.

As far as what you have called the sanction — and I would prefer to call protection of the Commission's budgetary position — is concerned, the Commission has taken into account discussions within the Council and decided to make no further reduction in the advances for the second half of January. This is clear evidence that a request to make certain adjustments to the system can in no way be interpreted by members of the Council as an attempt to block correct application of the system. Quite to the contrary, it has become quite obvious that the Council believes that the system has to be correctly applied. I have stated that the Commission abides by the decisions made on this matter by the Council and that applies also to the reduction of one million tonnes that must be carried through in 1985/86. In taking this decision, the Council linked it

with a 1% joint liability provision that would be accordingly reduced. The Commission will, of course, also abide by that element of the Council decision.

Local inadequacies in applying the system have, I agree, made it very difficult to ensure its credibility within the agricultural community. The Commission has tried to employ the resources at its disposal, these being the available financial and legal options, but there is not a great deal more that it can do at the moment. Thirdly, as a homely aside to this Parliament, I have tried to create a climate that would allow a dialogue, between the various Community institutions, on the subject of the application of the system so as to reduce the resistance to its implementation that would otherwise be encountered. I can now state, for example, that in the one instance of Italy, a country where major problems were experienced in implementing the system, serious measures are now being prepared to permit its application. That is one example.

It cannot be denied, Mr President, that permitting quota transfers from one region to another will, in itself, tend to reinforce the national element in the quota. That is true. I don't deny it and that is in fact why the Commission is not prepared to permit this for more than one year. Quite a few Member States were, however, very keen that this should be done and having adopted the approach that I have indicated to you, I felt that I ought to make that proposal.

We now come to the price 'fixing' that is now due. Many speakers have commented upon this but 'if you will permit me' I would prefer not to speak about the price proposals today. The Commission is preparing a first reading for the 23rd and the second reading for the 30th and I don't think it is wise, at the present time, to discuss all the possible links which could be established between the existing systems for reducing production on the one hand and for price fixing on the other. I do, however, want to make one comment in response to Mr McCartin's question. The fact that there has — to my regret — been a serious leak and resultant major disturbance to the quiet preparation of such an important matter, does not in any way affect my decision to have the price proposals completed by the end of the month. That decision was taken earlier than the appearance in the press of these figures and I am not prepared to discuss figures, from whatever source, today. That also applies to the question of whether, and to what extent, additional measures will be linked with the price proposals.

A number of questions concerned wine but of course this is out of my hands for the moment. I hope that the Council will discuss the wine file — in particular the structural file concerning the industry's structure as such and the organization of its marketing — during its next meeting which takes place after Parliament has issued its opinion. I am, of course, very happy to supply all possible cooperation so as to allow the Com-

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mission to supply as complete a report as possible. That is my reply to Mr Dalsass on the subject of wine.

The use of 1980 as a reference year is also, indeed, a problem and it is for this reason that we have stated that these must be genuine exceptions. I will give you an example here whereby a serious outbreak of disease occurred within a given herd and so made it impossible to reach a normal level of production during the standard reference period. That would be one example of an exception justifying the application of 1980 as a reference year and I will content myself with that one example.

On this point, I can state that reactions within the Council have ranged from constructive to positive although the Council is not prepared simply to go along with all my proposals. Here and there there will have to be discussions about their specific content but I have defined for you the limits within which I am prepared to be flexible in the implementation of the proposed changes now being discussed.

A number of members have commented that you cannot just remodel marketing and price policies without also offering some kind of a future to those working on the land, and particularly to the younger generation of farmers. I echo that and in fact believe that a three-fold agricultural policy should be implemented over the next few years. One of these elements is that now being discussed; a careful, market-oriented marketing and pricing policy. The second is structural policy and for this reason I consider it very important that the Council should agree as soon as possible to accept the proposed structural policy. I therefore deeply regret, and would like to stress this to the greatest possible extent in this House, that it has not yet proved possible to assemble a reasonable financial package for that structural policy. This being because the discussions between the Council of Agricultural Ministers, on the one hand, and the Council of Financial Ministers on the other has, in fact, made the problem very difficult to solve. Further work is required and rapid and efficient decision-making. The third element, discussed by Mr Elles, is a rather longer-term one. I agree with him that there is an urgent need to establish a long-term future for agriculture and I pledge to begin as soon as possible on work aimed at developing such a long-term plan. I consider that it is in this field that action must first be taken to alleviate the problems of disadvantaged and high country areas. I am happy to promise that I will devote particular attention to that aspect of the effects of structural policy.

I think it is out of the question to reopen the whole discussion as to whether we should or should not have a milk quota. A decision has been taken on this point and policies formulated. I would therefore say to Mr Graefe zu Baringdorf that it is 'a fact of life' and that that fact of life has to be the basis of our agricultural policies. I don't mean eternally, and indeed the system

does not imply this, but certainly for the present. Nor do I intend to adopt any other approach.

The Council's discussion on wine involved both 'vol-ets', i.e. compulsory distillation for the current 1984/85 season and the arrangement for the future. I am quite optimistic that the difficulties associated with the 1984/85 season will very soon be solved. As I have said, I hope that the February meeting of the Council will lead to a solution being found. There is no specific time scale but a number of Council meetings are planned. Nevertheless, I believe that some supplementary action will be required if we are indeed to succeed in deciding, within the Commission, on price proposals on 30 January.

The important question that then arises is whether we can fix prices without having a fixed budget. I believe that we can if necessary. I should, of course, prefer decisions on prices to be part of a complete budget. If, however, the Parliament and Council or the Council and Parliament do not succeed in determining this budget within a reasonable period, is it fair to ask our farmers to accept such obvious uncertainty about the parameters within which they have to do their work? I believe it isn't.

Speaking now as a layman in budgetary matters, I do believe that it is necessary to have some way of making decisions even though these could affect a later budget — although, of course, one should be aware of these consequences and take them into account when the decisions are made. I intend, at any rate, to continue in this direction and to try to finalize the agricultural prices on time.

Time will show whether our optimism is justified and of course, after just the first year, it is early days yet. It is, nevertheless, a fact that the figures indicate a clear fall in production from the moment the system was implemented. Comments, such as those of Mr Pasty, on the problems occurring in the beef sector, clearly show the effect of some of the consequences of present policy. I want to make it quite clear, and avoid all misunderstandings, that the Agricultural Council decided last Monday or Tuesday, i.e. during its last session, to adopt the Commission's proposals on certain obligations to import beef that are a result of the GATT agreements. There are two kinds of beef involved, 50 tonnes of frozen beef plus what experts describe as *Hilton beef*, which seems to be of a higher quality. Additionally, it was decided to include a number of calves for fattening and 50 000 tonnes of frozen beef for the processing industry. These decisions were taken in the light of the fact that a Community which almost doubled its beef exports between 1982 and 1984 from 450 million tonnes to approximately 850 million tonnes according to the last estimate, cannot permit itself to renege on international agreements. In my opinion, that would weaken our entire export position and I refer to the urgency we discussed this morning.

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Who instituted the sanction measures? They were instituted by the previous Commission and I can at the moment give no answer to the question of whether, and in what way, the Danish Government was informed.

I believe that by tackling a couple of general points, I have provided an implicit answer to the questions proposed by Mr Scott-Hopkins. I can, however, not give an answer on the specifically Belgian problem raised by Mr Ducarme. I am, of course, very ready to come back to this point another time after seeking additional information.

Finally, I would like to comment on the termination of a tenancy agreement. This is an extremely complicated matter. Why? Because tenancy law is very considerably different in almost all the Member States. What the Commission has done, as the House know, is to take measures to alleviate an extremely specific German problem. The Commission has not fully met the wishes of the Federal Republic because it believed that by so doing it would create other difficulties. In discussing this point, I am quite prepared to examine proposals to include comparable situations or, on the other hand, to prevent as far as possible unacceptable consequences for others.

Dashing through the subject, and perhaps speaking too quickly, I have tried to relate my remarks more or less to those made by Members. I regard this as a foretaste of the undoubtedly absorbing discussions I hope to have on a number of occasions with this Parliament and with the Committee for Agriculture, Fisheries and Food. I would like to thank everybody who was kind enough to give me a warm welcome in advance.

(Applause)

Mr Tolman (PPE), Chairman of the Committee on Agriculture, Fisheries and Food. — *(NL)* I have asked to speak in order to make a comment, as Chairman of the Committee on Agriculture, Fisheries and Food, and to raise a point of order.

My comment concerns the exceptionally positive statement on timing made by Mr Andriessen. The Committee on Agriculture, Fisheries and Food has scheduled its work in such a way that it can certainly be ready in time for the wine debate in February and so that we can hopefully, if Mr Andriessen can keep to the 31 January deadline, also hold our agricultural debate during the first session in March.

That concludes my comments as Chairman of the Committee on Agriculture, Fisheries and Foods and I would now like to come to the procedural point that I would like to raise as a Member of Parliament.

Mr President it will not have escaped your notice that there was some amazement about the order in which

you invited people to speak. You said 'I will give the floor to those who, prior to the meeting, have asked to speak'. I have to point out to you — although you are the President and I do not doubt your objectivity — that many hands were raised after the debate was opened and this has also been mentioned to me by a number of Members. The question I would put to you is: what is the policy adopted by the Chair? May I ask you when it became possible to apply to participate in this debate and who asked to speak in it? What I have noticed, although I do not object to it, is that people were invited to speak in an identical order to the size of the political groups they belong to. It is an enormous coincidence that this should be reflected in the time of applications being made and I would therefore, Mr President, ask for some clarity from you on this point. How are such debates going to be held in the future? Does one just have to put up one's hand to get the floor or will speakers appear in a definite order? Whatever else, I want some clarity concerning the time at which prior applications can be made. We must know precisely when one can apply and the approach this afternoon was certainly not clear. It was not satisfactory and I would like a response from you on this point.

Mr Seligman (ED). — Mr President, since the Rainbow edition has been delayed by strike action, will the Commissioner translate and publish his statement as soon as possible today so that we can have it in writing? Otherwise it will be next week before we know exactly what he said.

Secondly, he did not make it quite clear whether these were final decisions by the Commission or whether they had to have approval of the Council.

Mr Andriessen, Member of the Commission. — *(NL)* I am, of course, quite happy to supply the text. I rather doubt that I can do it rapidly in all seven languages but I think it should be possible to supply Parliament quite soon with a French text and an English one. I can certainly do that quite rapidly but whether it will be as easy for the text of my answers to questions is quite another thing since I do not, of course, possess a written text. These were improvisations on a theme and I don't see how I can reproduce them just like that.

Sir James Scott-Hopkins (ED). — Following on what Mr Tolman said, it really is an abuse of our procedures for people to put their names down before they have even heard a statement. You said yourself, Mr President, that there was no time-limit — and there is not — except the half hour. Therefore, it really is an abuse of the proceedings of this House for people to put their names down well in advance for speaking after the statement by the Commissioner when they have not even heard what he is going to say. I do suggest that you take it back to the Bureau and see whether this practice should be allowed or not. I sub-

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mit that it should not be allowed. Only those who come in here and actually hear the statement should then be allowed to ask questions on the basis of first come, first served, as you very rightly did, going round the political groups and round the nationalities in absolutely the correct manner. But they should only put their hands up after they have heard the statement or during the statement.

President. — Your comments have been noted. I shall be glad to raise the question in the Bureau.

Mr Marck (PPE). — (NL) Perhaps the Commissioner still has a moment to listen to me. Since he is putting things down on paper in any case, I would have liked to ask him whether he would also be prepared to give us a written version of the statement he made yesterday on the Dutch natural gas tariff, since it conflicts with what Mr Narjes told Parliament on the same day.

5. Accession of Spain and Portugal

President. — The next item is the report (Doc. 2-1343/84) drawn up by Mr Formigoni on behalf of the Political Affairs Committee on the consultation of the European Parliament on the accession of Spain and Portugal to the European Community.

Mr Hänsch (S), deputy rapporteur. — (DE) Mr President, ladies and gentlemen, the Chairman of the Political Affairs Committee and the author of this report, Mr Formigoni, has had to attend an urgent meeting in Rome and has asked me to deputize for him in presenting this report.

Although the deadlines which the Community's Heads of State or Government have on several occasions set themselves for the accession of Spain and Portugal have hitherto not been kept, it now appears that it will only be a matter of a few weeks before the negotiations for accession are completed and the Treaty is drawn up. The time has now come for Parliament to act in accordance with the wishes it has expressed on many occasions and with the Stuttgart declaration in participating in the process for ratifying the Treaty.

Mr Blumenfeld's report of February 1982 very clearly sets out Parliament's claim to be involved in the ratification of Treaties of accession. This decision was taken by a large majority and we firmly stand by it. Indeed, the Heads of State or Government accepted, in their joint Stuttgart declaration, that Parliament should be consulted before a country joins the European Community. The report deals with the ways in which Parliament's wishes can be reconciled with the possibilities created for us by the Heads of State or

Government. It is therefore a purely procedural report.

However, there is one essential difficulty. What does consultation before accession mean? If Parliament is to be consulted, the only time when this can serve any useful purpose is before a decision is reached, i.e. when it is still possible to make changes before a treaty is signed. Everyone — probably also the majority of this House — now realizes that it is very late in the day and that there will not be enough time between the end of negotiations and the signing of the treaties for Parliament to be consulted on matters of detail.

The Political Affairs Committee propose that before the signing Parliament should at least be formally consulted on points in the treaties which are of direct concern to us as an institution. Such questions might concern, for example, the number of Spanish and Portuguese Members of Parliament, the number of Spanish and Portuguese Members of the Commission and the weighting of majorities in the Council. These are questions on which Parliament would like to be consulted before the treaties are signed. I believe that given good will on both sides — in the Council and Parliament — this would be possible and that an appropriate procedure could be found.

Secondly, once the negotiations are completed and the Treaties have been signed — but before the formal accession of Spain and Portugal — Parliament must hold a formal ratification debate in the same way as the national parliaments. We are all aware of the legal relevance or irrelevance of such a debate and of any decisions made. However, it is important that we should hold such a debate before the national parliaments because, when new members are welcomed into the Community, Parliament, which jointly represents the people of Europe, is the first body to be consulted. Our ratification debate should serve as a guide to the national parliaments and should help them in reaching their own decisions.

The Political Affairs Committee believes that such an arrangement is the one most likely to ensure that our wishes are met and that we take advantage of the opportunities afforded by the Stuttgart declaration. I think that the Council should comply with our wishes on this matter and not attach undue importance to trivial technicalities. It should act in the spirit of the declaration made this week by the President-in-Office of the Council and Foreign Minister, Mr Andreotti, and be open to genuine cooperation which will enable the Council, the Member States and Parliament to fulfil their responsibilities. I am convinced that this will be possible under the Italian Presidency and that a ratification debate and decision will be a fitting way in which to welcome the two countries of the Iberian peninsula to the Community. I expect that we shall be able to welcome Spanish and Portuguese Members to this House within a year.

Hänsch

I now relinquish my role as rapporteur of the Political Affairs Committee and assume the role of spokesman of the Socialist Group, in which capacity I listened very carefully to the remarks made just now by the rapporteur, and I heartily agree with everything he said! The Socialist Group will therefore be voting in favour of the report by Mr Formigoni.

IN THE CHAIR: MR PLASKOVITIS

Vice-President

Mr Habsburg (PPE). — *(DE)* Mr President, I am very grateful to Mr Croux for allowing me to speak first, since he will be concentrating on the institutional aspects of the Community's southward enlargement. I would therefore like to make a number of comments on the political aspects and state our views concerning the Formigoni report. We should not forget — and here I agree with Mr Hänsch — that because Parliament owes its legitimacy to the fact that it is directly elected by the people, it should act as the Community's political driving force and its presence as such must be very clearly felt during the Community's enlargement southwards, a most important event in the life of the Community and a political development of the highest importance. And let us not forget that this is a subject which Parliament has on several occasions discussed in depth and on which it has taken a clear stand. I was particularly pleased to hear Mr Hänsch say that we must try to take action on enlargement before the national parliaments, since this is a Community issue. I would point out in this connection, Mr President, that there is one not entirely satisfactory aspect to the report, though this was beyond Mr Formigoni's control, and that is the reference in Mr Ford's motion for a resolution to Ceuta and Melilla as Spanish colonies. This is utterly misleading, since Ceuta and Melilla have for a very long time, indeed since the 15th century, belonged to Spain. I have visited both towns several times and can testify that at least 90% of the population is Spanish and wishes to remain so. The remaining 10% are immigrant workers from neighbouring regions and so it is very misleading to refer to these territories as colonies. Obviously when Spain joins, the inhabitants of Ceuta and Melilla will be perfectly entitled to vote for the Spanish Members of the European Parliament.

While on this question I would point out to our British friends that we have found it difficult to tolerate the fact that the people of Gibraltar, while covered by the Rome Treaties, have hitherto been unable to vote for their representatives in the European Parliament. I therefore hope that when we come to pass the law on the European elections we shall not forget the people of Gibraltar, as we should also not forget the people of Ceuta and Melilla. Britain should do everything possible to restore the legal situation.

As Mr Hänsch has pointed out, the talks have so far not proceeded as speedily as we might have wished, although we now have every reason to hope that this will improve. Obviously, one of the reasons why the talks have not gone particularly smoothly is that an excessively bureaucratic approach was adopted by both sides. I was able to monitor progress to some extent, and I must say that neither side gave due weight to the urgency of the situation. I also feel that the Community often failed to set itself the right priorities.

I am reminded of a period which is for most of you so remote in time as to be almost ancient history, namely the period when the Coal and Steel Community was being set up. I had known Robert Schuman since before the Second World War and often discussed the Coal and Steel Community with him. He said on more than one occasion that he thought it unwise to begin on an economic rather than a political basis, or to use his own colourful expression, it is always a mistake to send the officers to the front while the infantry brings up the rear. That was one of the main reasons for our difficulties. At that time there was no alternative. But now, with the Community's southward enlargement ushering in a new period in its history, it is important that we should get our priorities right and make it quite clear that we intend to make politics our first priority and allow economic developments to follow.

What do we hope to achieve by political means? I would say that our primary objective should be to safeguard democracy in Spain and Portugal. Let us not forget that democracy is still relatively new to those countries. King Juan Carlos, in fact, has only been on the Spanish throne for 10 years. It is without doubt thanks largely to him — and of course to those who have been working with him — that so far things have gone so well. But we should not try the patience of the Spanish people.

Ladies and gentlemen, we should not forget that we have given Spain repeated assurances, and rightly so, that the Community would welcome it as a member once its dictatorship was at an end. The same is true of Portugal. If we delay too long now, Spain and Portugal — both are proud nations — will begin to ask whether they are to be kept waiting outside our doors forever. Moreover, the Community cannot be truly European if it excludes Spain and Portugal, which have contributed so much to our own development and culture. The same applies to those countries in Central Europe for which we have been unable to secure the right of self-determination but who nonetheless have a right to European self-determination.

We should also remember that Spain and Portugal provide a crucial link with the Arab world and with South America, which is of the utmost importance to the future political and economic development of Europe. Of course, we should also not forget the role

Habsburg

of Spain, and to some extent Portugal, in the security of the Mediterranean. The entire Mediterranean policy is dependent on these countries' membership of the Community. We as a political institution must therefore recognize that we are about to take a political step of the utmost importance, one whose significance far outweighs all our debates on wine, olive oil and citrus fruits. If we treat this political step as our priority, our economic problems will be solved more easily than if we approach the problem the other way round, making our political will dependent on Community statistics.

We are thus faced simply with the question of how we see the Community — whether we want a genuine Community or a kind of free trade area which can be set up again and again. If this is so we could argue for years over minor economic problems, but if we want a genuine Community we must have the courage to take political action now. This brings me back to the point I made at the beginning. If Parliament sees itself as the driving force of the Community, and that is the role for which we were elected, we should be genuinely active from the outset. The governments must take the lead and create the kind of dynamism in Europe which we all hope will be achieved.

My closing remark is an adaptation of the well-known saying that war is too serious a matter to be left in the hands of generals. The Community's southward enlargement is for us Europeans far too important to be left to the national governments alone. The people's representatives should assume its full responsibility for Community enlargement.

Mr P. Beazley (ED). — Mr President, my group welcomes the Formigoni report and supports all its content with the exception of the fifth recital, where we shall support Amendment No 2 by Mr Hänsch. The Formigoni report is, in essence, a purely technical report demanding that the European Parliament be consulted in regard to the accession of Spain and Portugal to the Community, in accordance with paragraph 2.3.7 of the Stuttgart Solemn Declaration, and it deals with all the various aspects of this matter to which the rapporteur has referred.

My group supports all of these points, with the exception I have mentioned, and we consider that the report is vitally important to us all in this Parliament.

In view of the very limited time available to the Council to come to an agreement with Spain and Portugal regarding the accession by 1 January 1986 and the very serious problems of the Council itself with regard to the Community's own resources, the resolution of the integrated Mediterranean programme and not least the submission of the new 1985 budget, it will clearly be desirable for all parties to bring these negotiations to a satisfactory conclusion during March 1985 at the latest.

The Council can and must be congratulated on the speed of its progress in the past few weeks towards a settlement of many outstanding issues. Nevertheless, owing to the very considerable delays which took place at the earlier stages of negotiation, there is still very much to be done. The original date of accession — 1 January 1984 — is now well past, as is the revised date of 30 September 1984 for the completion of negotiations. It is indeed doubtful that they can be completed by the end of March 1985, which must surely be the very latest date for their completion if 1 January 1986 is still to be the date of accession. Should this then be in doubt, other courses must be considered. It is obvious that if joint negotiations and the joint accession of Spain and Portugal proves possible, then this is highly desirable from all possible points of view. However, as I have pointed out to the House many times before, it is not essential. Portugal, concerned at the effect of the delays on its own position, has called for separate treaties to be signed, and should this prove to be essential I would support it in view of the most urgent needs of Portugal. We must remember that although Portugal and Spain occupy the same Iberian Peninsula, they have always been separate nations with quite different languages and traditions. Different in size, they have been equal in what they have contributed to the civilization of Europe and of the world.

The question which therefore arises is: can the Commission and Council complete the remaining dossiers by the end of March 1985 with the same solidarity and speed with which they have worked over the past few weeks?

My group, without minimizing the problems, sincerely trusts that this will be their aim and that they will achieve it. However, it will require understanding and a joint will on all sides, and it may still be impossible. If so, the Council must say so immediately. In any case, the result must not be fudged. Agreements must not be rushed through which are to be regretted later. Better another postponement than two bad agreements. Portugal must not be sacrificed to Spanish interests, or vice versa. Both the existing Member States and the applicants must work for satisfactory solutions.

Fishing is still extremely difficult. The proposed solutions did not appear to get the right balance between Spain and Portugal, which, I understand, on the basis of catches should be 5 or 6 to 1 instead of that based on boats, which might appear to be more than 50 to 1.

In fishing and regional matters the needs of the individual islands belonging both to Spain and Portugal must be respected and, again, Portuguese and Spanish interests must not be sacrificed to an agreement one way or the other.

Olive oil is still a problem, but almost entirely for Spain. Fortified wines and cane sugar — principally for Portugal — must still be cleared up.

P. Beazley

The social dossier is probably equally difficult for both these candidate nations, as are sensitive products. We must ask the Council and Commission to do their very best to make satisfactory solutions here.

The Council will also have to remember the problem of the commercial relations between Portugal and Spain after accession, which may cause certain problems.

Mr President, this House has been unflinching in its support of the accession of Portugal and Spain to the Community. It must press the Council to have the strength of will to solve its own problems within the same period, i.e. by 31 March of this year, as it strives to negotiate a satisfactory agreement with the candidate nations. If not, the whole of Europe will be frustrated, not just Spain and Portugal.

Mr Christensen (ARC). — (DA) Mr President, we have here yet another of Parliament's numerous attempts to assert itself and to seize power.

In contrast with what happens in the case of the association agreements with other countries, where the Treaty states that Parliament has to be consulted, there is nothing in the Treaties to say that Parliament should have any say at all in the accession of new Member States. This is a legal fact, but it has not prevented the Political Affairs Committee from coming up with this proposal which, without any authority from the Treaties, provides for Parliament to have a say in the accession of new Member States — not only in the form of a consultation but also that it should actually ratify the accession. Obviously with the idea of influencing the enlargement of the Communities and the conditions of enlargement in a way which is not authorized by the terms of the Treaty, it is proposed that the so-called debate on ratification should take place between the conclusion of negotiations on the enlargement and the signing of the Treaties of accession. It is also proposed that the so-called conciliation procedure should be applied even, if necessary, in connection with all aspects of enlargement, a procedure for which not the slightest authorization can be found in the Treaties to apply to this case, but which is to be used to win for Parliament legislative status commensurate with that of the Council of Ministers. That is obviously the aim in mind.

The People's Movement against Membership of the European Community takes the strongest exception to this illegal power-seeking. We expect that, in view of the Danish Parliament's adoption of the resolution on keeping the status quo as regards the division of power amongst the Community institutions, the Danish Government will put a stop to Parliament's aspirations.

Mr Croux (PPE). — (NL) Mr President, ladies and gentlemen, I would like to address my first short comment to Mr Christensen.

The provision in the Stuttgart Solemn Declaration on which the Parliament's Political Affairs Committee bases its case, did not ever give rise to any reservation on the part of the Danish Government. When he states that he hopes and trusts that the Danish Government will oppose the Political Affairs Committee's request, it is clear that no such action will be forthcoming since the Danish Government, although it did reserve its position on a number of points in the Stuttgart Solemn Declaration, did not do so with relation to Items 2, 3 and 7 of the Declaration which state that the opinion of the European Parliament should be consulted before any country accedes to the European Community.

It could be said: yes, but Parliament's view is already known through the Blumenfeld and Douro reports. Might I perhaps also refer to my own report, on the draft European Act, debated in April 1983.

It is clear, however, that something quite different is meant here and that the Stuttgart Solemn Declaration requires the Council to take into account the wishes now expressed by the Political Affairs Committee and, I have no doubt, by the whole of this Parliament.

It is essential that we have an extensive debate here on the accession of Spain and Portugal. It would be nonsensical and contradictory to the most basic elements of democracy if the Council omitted to do so. Such a debate must take place in good time and when it is still relevant. In other words — and I believe incidentally, that the timing has already been worked out — within the next few months. And why is it necessary? We are not proposing to examine basic issues but rather to take a brief look at the institutional context. What still has to be done?

The definitive texts have to be written. Article 237 of the EEC Treaty states that unanimous agreement must be reached by the Council whereupon the accession conditions and the consequent amendments to the Treaty have to be ratified. The first prerequisite is, of course, that agreement can be reached between the Member States on the one hand and the States concerned, Spain and Portugal, on the other.

Our group agrees with the rapporteur, Mr Hänsch, and with other speakers that the European Parliament must be able to debate the texts before they are put before the national parliaments. We believe that this debate should be combined with the request for Parliament's opinion and if at all possible with ratification — although that is probably not attainable. At the very least, it should be able to coincide with debates in the national parliaments on the financing, own resources and budgetary problems — for example, the statements of the Federal Republic of Germany — that are linked with the accession. In other words, 1985 will be a very important year for all the institutions within the Community, not only the Community institutions

Croux

themselves but also national ones, governments and the national parliaments.

It is for this reason that we stress our request to the Council to give the greatest attention to these matters so that the clearest possible discussion can be had on the vital issues which are not only economic, social, industrial, agricultural and political in nature. There is also the major question of the qualitative change in the European Community that will be brought about by the accession of Spain and Portugal. It has already been said, and needs to be repeated, that what is involved is far more than just a quantitative enlargement of our Community although this is, in itself, very significant. We will then have 320 million inhabitants which is approximately 100 million more than the United States of America and 200 million more than Japan, just to draw comparisons with the States, or groups of States, so often mentioned here. That is a thought worth considering in any further debate we hold as representatives of the people of the European Community. We are moving towards a qualitatively different situation in the relationships between North and South and in what will be the centre of our European Community itself. It will no longer be the same European Community. It is clear that there will be a major qualitative change and it is one that we must be able to debate in all serenity bearing in mind the point raised by Mr Beazley, that of the large degree of unanimity, among all shades of Parliamentary political opinion, that this accession is essential.

We have to be able to ask the Council: how on earth do you now view the decision-making process? After all, the criticism most frequently voiced is: how will discussion and decision-making be possible in a Community of 12 members if it is so difficult with 10. We would like to see this matter referred to the Dooge Committee since one can't just act as if, just a few months before this major qualitative change, the proposed working methods of the 12 are irrelevant. Our Group would like to pose the following question to the Dooge Committee, and to the Council which will later have to consider the Committee's report: what qualitative changes do you see being necessary in the way our institutions work once Spain and Portugal have acceded?

I will not go in detail into any other questions but I hope that we can consider them at a later date. What, though, is the view of Spain and Portugal? On earlier occasions, when States acceded to the Community, they said: Yes, we have acceded, not to a Community based on the Treaties of Rome but to a Community such as it now works including, for example, the Luxembourg compromise. What do Spain and Portugal think about this? We need to have the greatest possible clarity in our discussions on this point.

Yesterday, during the debate on Italian Presidency, I stated how important it was that some life be injected into the present stagnant situation. And here we have a

new and major change. Certain speakers have noted the great range of things that happened when other countries, particularly Great Britain, Ireland and Denmark, acceded. We need only think of the own resources that followed from the accession of the three States I have just mentioned and led to new budgetary powers for this Parliament. This, in turn, then stimulated direct elections for this Parliament and put the relationship between the Council and this Parliament in a new light. These are some of the aspects which, in my view, justify an institutional and general political debate on this topic.

We also want to comment on the elections which have to be held in Spain and Portugal. In response to the Douro report of November 1982, we have already stated, as a parliament, that we would prefer immediate direct elections to the European Parliament in both countries. We would like to see the response of public opinion in these countries to the election of Members of the European Parliament.

I would like to end my speech by repeating what I said at the outset. The national parliaments must fully understand the importance of this year's events associated with the accession of Spain and Portugal. For this reason, I solemnly urge the Council to give very thorough serious consideration to the preparation of a debate and to the request for Parliament's opinion on the accession of the two Iberian countries and to organize these in good time. We will not go into detail during these debates but we do want to have a thorough political discussion on the proposals that will, after all, govern the peoples of Europe in their relationship with Spain and Portugal.

Mr Schwalba-Hoth (ARC). — *(DE)* Mr President, although the Formigoni report deals primarily with the consultation of Parliament on the Community's southward enlargement, it is worth questioning the general enthusiasm in this now almost empty chamber, and remember that the doubts expressed here relate only to our agricultural and economic problems. However, we should also ask ourselves how accession will affect Spain itself. Noone here will dispute that we, the economically more advanced nations, stand to benefit most. New markets will be opening up for us as new consumers enter the Community. Membership should be politically advantageous for Spain and should stabilize its democracy in the medium and long terms, but it could prove to be an economic dead end for that country. We are afraid that membership will be disastrous for Spanish industry, whose competitiveness on the world market is due largely to customs barriers, and that Spain's social structure might change so much that it will ultimately be detrimental to its interests. Since we want Parliament to be consulted, we should also ask ourselves whether the Spanish people have been consulted. We think that consultation should take the form of a referendum in which the Spanish people are asked whether or not they want to join the

Schwalba-Hoth

EEC. No referendum has been held, and this is due largely — I do not think that many people would dispute this — to the fact that there is an informal link between entry into the EEC and full membership of NATO. Most Spaniards are probably still unaware that membership of the Community, the drawbacks of which they have not yet fully realized, will entail full membership of the western military alliance. What this means for Spain is membership of an organization the undesirable consequences of which we are now witnessing in Western Europe, namely the erosion of national sovereignty in matters of defence, which means that individual countries have little or no say on the stationing of foreign troops on their territory and little or no say on the siting of missile bases.

Mr Natali, Member of the Commission. — (IT) Mr President, the rapporteur and a number of the speakers have referred to the resolution adopted by the European Parliament on 18 February 1982 on the basis of the Blumenfeld report, calling for an inter-institutional agreement on the negotiation and ratification of the Treaties of accession, providing as follows: that the European Parliament should hold a debate and give its opinion before conferral of the negotiating brief on the Commission; that Council must take this opinion into account when drawing up its guidelines for the negotiations; that Parliament should be informed both confidentially and officially on the progress of the negotiations by the Commissioner responsible; that there should be a separate consultation for Parliament on the amendments provided for in the Treaties; and, finally, that a debate should be held in Parliament, in the presence of the Council, after the signing of the Treaties of Accession.

The precise form of the accession negotiations is governed by Article 237 of the Treaty. This contains no brief for the Commission: instead, the Member States negotiate with the candidate States. The Commission's role is to make proposals, take the appropriate initiatives to bring the different positions closer together, clarify points of view and carry out the tasks to which it has been assigned expressly, or, as in the present case, under secondary legislation. Finally, it must give its opinion before the Council makes its unanimous decision.

May I remind you that on 12 May 1982, the Commission sent a note to the Parliament and Council on the role of the European Parliament in the preparation and conclusion of international agreements and Treaties of Accession. We had suggested that, before taking the decision on the principle of accession, the Council should, in accordance with Article 237, have arranged a political debate for the Parliament and at the same time the Commission should, as far as possible, have kept Parliament informed of the progress of the negotiations.

Reference has been made to the Solemn Declaration on the European Union, signed at Stuttgart on 19 June

1983, paragraph 2.3.7 of which, Mr Croux, provides that, in addition to the consultations provided for in the Treaties with respect to certain international agreements, the opinion of the European Parliament will be sought before the conclusions of other significant international agreements by the Community and before the accession of a State to the European Community.

The existing procedures for providing the European Parliament with confidential and official information on progress in the negotiations will be extended, taking into account the requirements of urgency, to all significant international agreements concluded by the Communities. I have quoted these paragraphs word for word.

May I also mention that in reply to a letter from Parliament, the Council stated in a letter to Mr Dankert, who was then President-in-Office of the Council, on 13 March 1984:

The Council intends to apply henceforth the various parts of the text — that is the Stuttgart Declaration — and the opinion of the European Parliament will be sought in accordance with Article 98 of the ECSC Treaty, 237 of the EEC Treaty and 203 of the EAEC Treaty. Although this point was discussed, the time of the consultation of the Parliament was not specified.

I wanted to give a resumé which was more than just chronological and I would like to add one brief comment. What I have just said demonstrates that the right of Parliament to be consulted before the accession of a State is neither contested nor contestable.

Under the terms of Article 237, Chapter 1, the Council should take the decision of principle on the question of accession after seeking the opinion of the Commission, and the Council is therefore obliged to seek the opinion of Parliament before taking this decision. The Commission declares that it is ready to give Parliament the technical information and explanations which it needs to give its opinion, such as information it can give on the progress of the negotiations, provided the Commission has this information.

There may well — and this is just an observation — be problems in the timing of the consultation with Parliament. If consultation were to take place only before the commencement of the negotiations this would make the Stuttgart Declaration meaningless, since it took place not only after negotiations had begun but after they had progressed, even though progress was not as rapid as we might have hoped.

The problem of timing may also arise in connection with point 6 of the resolution, in view of the undertaking which all of us, I believe, who want 1 January ratified as date of accession have made.

May I point out that the Commission has considered it its duty to keep the European Parliament informed,

Natali

through the Joint Parliamentary Committees and Political Committee, about the individual agreements and the progress of the negotiations. We have therefore fulfilled our duty.

Finally, I would like to say that I agree with what has been said here. Although I cannot go into it in detail now, I must say that I think it is extremely important, politically speaking, to conclude the negotiations as quickly as possible. I feel that the entry of Portugal and Spain — although we are bound to encounter problems in the transition period — will enrich our Community. In the light of this, I share the wish expressed in several quarters that the parliamentarians of Spain and Portugal may be able to play a full role in the work of this House at the earliest possible moment.

Mr President, may I ask one question. A motion for a resolution from Mr Forth is annexed to Mr Formigoni's resolution. Will the vote on Mr Formigoni's resolution also include Mr Forth's?

Mr Hänsch (S), *deputy rapporteur*. — (DE) Mr President, if I may, I should like on behalf of the rapporteur to give an immediate reply to Mr Natali's question.

Mr Natali, of course the annex — i.e. Mr Ford's draft resolution — is not part of the resolution. The fifth recital of the preamble refers to the motion for a resolution by Mr Ford. I have tabled an amendment seeking to delete this fifth recital, so that any reference to the 'colonies' of Ceuta and Melilla is removed from the resolution. I think that this solves the problem.

Mr Natali, *Member of the Commission*. — (IT) I am particularly grateful to the rapporteur for clarifying this point, which means there is no need for me to prolong my speech any further.

President. — The debate is closed.

The vote will be taken during the next voting time.

6. *Provisional twelfths*

President. — The next item is the report (Doc. 2-1450/84) drawn up by Mr Curry and Mr Fich on behalf of the Committee on Budgets relating to

- first authorization for additional provisional twelfths for the 1985 financial year (non-compulsory expenditure); and to
- initial opinion by the European Parliament on the authorization of additional provisional twelfths

for the 1985 financial year (compulsory expenditure).

Mr Curry (ED), *rapporteur*. — Mr President, I am pleased to commend to the House those sections of the report for which I have responsibility. The Committee on Budgets decided to present to the House certain of the requests made by Parliament.

The fact that two requests are not being treated does not mean that the committee does not think they are justified. It simply indicates that it does not think that it has had the time to investigate to the necessary extent the justification for those increases. We will come back to those in a very short time.

As far as the other institutions are concerned, the requests are limited. In the case of the Economic and Social Committee there are no requests at all. I shall limit myself to one comment which I wish to address to the Council. The Commission has sought additional financing in respect of the need to pay its staff the eventual award which the Council will make. Parliament has made a similar request. The Court of Auditors has made a similar request. The Court of Justice has not made a request for this and, as I said, Ecosocs' has made no request at all. The most curious feature of all is that the Council itself, in its own request for additional finance, makes no reference whatsoever to the need to finance a possible salary increase for officials of the Community. Since the Council itself is actually responsible for taking the decision, it would be extremely helpful to all of us, in planning the way this emergency financing will actually be scheduled, to know whether the Council intends to take a decision. Does it intend to take a decision for a zero salary increase, and when will it actually indicate when it intends to fulfil its responsibility towards the staff of the Community? If we had that indication, perhaps some of the curious inconsistencies in what has been presented to us could be overcome.

With that simple observation and in the hope that the Council will make up its mind what it is going to do, I am very pleased to commend the report which stands in my name jointly with that of Mr Fich.

Mr Fich (S), *rapporteur*. — (DA) Under the system of twelfths which the Community now has to live with, it is possible to pay out extraordinary twelfths in both the non-compulsory and the compulsory sectors. It is my task to talk on those sectors which relate to the Commission's budget for such things, i.e. whether Parliament should grant extraordinary twelfths to the non-compulsory sector and whether Parliament should come out for or against extraordinary twelfths in the compulsory sector.

In the report bearing Mr Curry's and my names, there are a number of proposals for extraordinary twelfths

Fich

for the non-compulsory sector. First and foremost come a number of administrative matters: a number of payments fall due at the start of the year, although they may cover a whole year, and we are trying to solve this problem here. Moreover, we must consider food aid, where there are also many problems, and in this field we in the Committee on Budgets have also recommended that two extraordinary twelfths should be granted. Finally, we have the problem of Greenland. Under the agreement between the European Communities and Greenland, a sum is payable to Greenland at the start of the year. Two different Articles must be considered here: it is requested that 10 million ECU be paid from Chapter 42, which requires 11 additional twelfths. The Committee on Budgets recommends payment here, but not of the other amount of 16.5 million ECU which the Commission and the Council had proposed should also be paid.

In a personal capacity, I do not agree with the Committee on Budget's opinion in this matter, but as rapporteur I must obviously represent that committee, which has decided it cannot support these 16.5 million ECU requested provisionally from Chapter 32.

I should like to draw your attention to paragraph 5 in the resolution, which states that we will deliver an opinion at a later stage on the provisional twelfths proposed by the Commission and the Council. This does not mean that we have rejected these twelfths, it simply means that within the 30-day period available to us we will take the matter up again. It means that we shall have time to deal with this matter during the February part-session, which falls within that 30-day period.

That was all I wished to say the first time round. I shall comment on the individual amendments which have been tabled when we come to the vote.

Mr von der Vring (S). — (DE) Mr President, this is not the right time to discuss the principles of the policy of the twelfths, and for this reason I can be brief.

The proposed authorization of additional twelfths concerns urgent matters, to which the Committee on Budgets has agreed without generally clarifying some contentious issues concerning the twelfths system. The actual amount constituted by a twelfth is still in dispute in some cases. The Committee on Budgets will be discussing that next week. In cases of dispute the proposed authorizations refer to the number of twelfths and not to the ECU amounts.

However, the document submitted by the Committee on Budgets contains one contentious issue which Mr Fich pointed out. The licence payments to Greenland for Community fishing rights fall due in January. Greenland's fishermen depend on these. However, the twelfths system gives rise to formal difficulties as regards the appropriation of 26 million ECU for Greenland. The Commission has proposed — and per-

haps this could have been organized differently, but we do not have much time — to borrow 16 million ECU temporarily towards this amount from Chapter 32 concerning hill-farming programmes. It has given an assurance that this will not result in any financial problems for these programmes.

However, the Committee on Budgets rejected this proposal by a small majority. If this House were to follow suit, then 218 votes would be required to adopt Paragraph 4. My group does not think it right, however, that Greenland now be refused the contractually agreed licence payments and thus have its fishermen arbitrarily hampered in their work this month. For this reason we reject Paragraph 4 of the report, something that can be done by a simple majority.

We can assure all worried hill-farmers that both parts of the budgetary authority are ready and able to guarantee full funding of the hill-farming programmes. When the budgetary authority has made up its mind then nothing can prevent the funding by way of the twelfths system of the kind of thing we all want.

Mr Cornelissen (PPE). — (NL) Mr President, I should like to start my first debate as spokesman, in the presence of Mr Andriessen, by congratulating him on his appointment to the new Commission and on the portfolio he has been assigned. I am glad that he is also dealing with budgets today, for his reputation in this field in particular is excellent, Mr President, certainly in the country where he and I come from. I thus wish him great success in both departments, and we have high expectations for his work, both in and outside the budgetary field.

Mr President, the provisional twelfths system is certain to entail inconvenience and risks of delay in various fields. Incidentally, we are experiencing this for ourselves in the form of provisional deductions from our travelling and accommodation expenses.

Today there will be no extended debate on the application of the provisional twelfths system and the consequences of the rejection of the budget. We shall, after all, be holding this debate during our next part-session, and the only issue to be discussed today is authorization for some urgent matters that will admit of no delay. For example, rents, insurance premiums and those items that in many cases need to be paid more than one month in advance.

We agree to provisions being made for such technical transactions, where they cannot be postponed owing to previous commitments.

In addition, we wholeheartedly support the proposal to make available an additional two twelfths for food aid. It would be wrong and unacceptable to our group if the starving and distressed population of the Third World were to be the victim of our budget difficulties.

Cornelissen

As far as Greenland is concerned, our group is prepared to ensure that the arrangements made can be implemented.

We are surprised, Mr President, at the proposal in paragraph 2 of the document we are considering today (SEC (84) 2123 final — Doc. 2-1368/84), which calls for not less than 11 twelfths to be made available under Chapter 10A as a matter of urgency for members of the old and new Commission. As we know, the Committee on Budgets is not due to give its opinion on this subject until its next meeting. I could well imagine this proposal being subject to a critical review by the Commission and the Council.

Now that we have Mr Andriessen, who was also a member of the previous Commission, with us, I should like to draw attention to the surprise — in our view understandable — at the appointment of two members of the former Commission as Vice-Presidents of the Commission a few weeks before the end of their terms of office. Could Parliament be given information on the potential financial consequences of this action under the existing retirement arrangements and also the reasons for these appointments literally at the last minute?

The question arises as to what consideration was given to the potential financial impact on our people over a number of years at a time when the pennies are having to be counted in all our countries. I do not think this is exactly a classic example of good political psychology, Mr President. I do realize that the Commission is not in a very good position to answer this question but perhaps it can help to ensure that Parliament receives the required information in time in order to arrive at a proper assessment of this decision by the Conference of Ministers.

Mr Møller (ED). — (DA) Mr President, it is quite right that we should abide by the twelfths rule, but Greenland cannot understand the fact that the Treaty it has entered into with the European Communities seems to stand or fall according to whether or not we abide by the twelfths rule. In international law in general, international agreements take precedence over internal financial regulations such as the twelfths rule etc. The Community credibility depends to a large extent on whether they can abide by the agreements that they have entered into, even when the other party concerned is a small nation way up in the North, a nation with different ethnic origins from the Europeans and which therefore wishes to withdraw from the Communities.

I shall vote against paragraph 4, which refuses to authorize the 16.5 million ECU to Greenland. I shall vote in favour of Amendment No 6 presented by Messrs Pitt and Tomlinson which makes it possible for us to continue to pay for and carry through what the Commission and the Council have begun, so that the

Greenlanders can see that the Communities stand by their word despite the fact that Parliament has rejected a budget and that we have to live according to the twelfths rule.

Mr Bonde (ARC). — (DA) Mr President, we in the Danish People's Movement against Membership of the European Community, like Mr Møller, have every sympathy for Mr Pitt's and Mr Tomlinson's Amendment No 6 concerning provisionally charging 16.4 million ECU under Chapter 32 to pay for fishing rights around Greenland. But the proposal is in fact superfluous, since the Council of Ministers has already requested that the Commission should undertake payment, and we would ask the Commission to make that payment without regard to the slender 10-9 majority in the Committee on Budgets.

The matter is, after all, quite simple: the European Community has bought fishing rights around Greenland; the fish should be caught now, if they are going to be caught at all, and payment should be made now, if the Community is to stick by the agreements it has made. The consequences of the majority opinion of the Committee on Budgets would be utterly absurd. The Danish navy would be forced to stop ships from Bremerhaven when they enter Greenland waters. The stage would be set for a cod war and the only result would be that the European Community would have to pay for fish which had not been caught, since you can't run away without paying your bills. Payment could be demanded at the Court of Justice of the European Communities in Luxembourg or from the International Court of Justice, since these are obligations that are binding under international law. So the money could be collected in the same way as money is collected in bailiffs' courts when it is owed, whether we catch the fish or not.

The Danish People's Movement against Membership of the European Community respects the fishing agreements drawn up between the European Community and Greenland, and we shall vote in such a way as to facilitate payment of the money due. We regret that there are some people in this chamber who believe that you can go into a fish shop and buy fish and then run away without paying.

Mr Andriessen, Member of the Commission. — (NL) I am extremely pleased that the debate on this provision, which is necessary to enable the machinery of the Community to function as smoothly as possible, has devoted some attention to the Greenland question.

We are confronted with a difficult problem. After negotiations with Greenland we have reached an agreement, requiring a provisional budget appropriation of 26.5 million ECU. The negotiations are about to be concluded. Just one Member State needs to sign the agreement, and the agreed amount should be

Andriessen

available from the moment the agreement is signed. It is my firm conviction that this is simply a question of correctly implementing a commitment entered into by the Community during the difficult negotiations with Greenland.

Accordingly, as the person responsible for fisheries policy, I promptly attempted to find a solution to this problem, which, as I have said, is also connected with the problem of keeping the Community machine in working order. I would therefore be particularly grateful if Parliament could give its full support to enable this to be done, and the best way of expressing it would, in my view, be to accept the amendment stating quite clearly that the facility provided for earlier is now available.

Mr President, my insistence on this point is not a plea for the Commission, and certainly not for the Commissioner responsible for fisheries. I am arguing here for a proper position to be adopted by the Community in international contacts. The Community, as a community of peoples, cannot afford not to act correctly on this point. Should it prove impossible to proceed in this way, we then would promptly face great difficulties with Greenland, and I believe that this should certainly not be allowed to happen as a result of any contentious point or major points of difference there might be, and indeed are, between the two budgetary authorities.

Mr President, Mr Cornelissen, whom I thank for his friendly words of introduction, asked some questions, in particular as to the successive appointment of two Vice-Presidents at the end of the previous term. Walking around the lobbies, I occasionally gained the impression, Mr President, that the view in Parliament was that the former Commission had taken this decision. Mr President, nothing could be less true. The decision to appoint initially Mr Pisani as Vice-President of the Commission and then after his departure Mr Burke was a decision taken by the Council and no other. I am not at liberty, Mr President, to speak on this point on behalf of the former Commission. At the moment, I cannot say precisely what the financial consequences of this decision are; I believe that they are not entirely the same, in view of differences in the legal position. I think the situation is different for pensions than for interim allowances. I am not fully prepared for such a technical question, but it is very easy to find the answer since the regulations governing the legal position of Commissioners and other senior officials or representatives of the European institutions are a matter of public record. They can therefore be obtained without any problem and can easily be made available should the Honourable Member so insist. There are consequences, but as far as I know at the moment, they differ depending on the situation, in that they are, I think, considerably less important in the case of pensions than in the case of interim allowances. I am not completely sure however. I am willing to examine ways in which the information requested

can be supplied, and personally can of course understand the surprise occasioned by this matter.

Mr Price (ED). — Mr President, I rise on a point of order that will occur during voting tomorrow, and I think it better to raise it now when we conclude the debate rather than at the time of voting so that consideration can be given to it in the meantime.

In his speech Mr von der Vring referred to the vote on paragraph 4 and said that 218 votes would be required. That in my view is not the case. I think it is important that this be established now.

Decisions on additional twelfths require the European Parliament to act by a majority of its Members and three-fifths of the votes cast. Paragraph 4 is not such a decision. It stems from a proposal for a transfer submitted in a separate document which accompanied the request for additional twelfths. Both dealt with the same subject-matter relating to Greenland but were actually relating to two quite distinct procedures. The proposal for a transfer would not require any special majority. The Council, in respect of that proposal for a transfer, decided to do something slightly different, namely, to authorize the charging of the item to a different budget line. The European Parliament is now invited by its Committee on Budgets to express a view on that procedure. Under neither the transfer provisions nor a comment by the European Parliament about these exceptional procedures would any special majority be required.

So, in my view, it would be quite inappropriate for any special majority to be required when dealing with paragraph 4 tomorrow. I raise that point now. I appreciate that you may not wish to rule on it, because it will be a matter for the President taking the vote, but it may be helpful that I have raised it now rather than at the time of the vote tomorrow.

Mr Cot (S), Chairman of the Committee on Budgets. — (FR) Mr President, ladies and gentlemen, I had been expecting to be addressing you with the latest report at voting time, and that, I believe, is to be at six this evening. However, since Mr Price has raised the problem now, I should like to give my own opinion on the question, which for once differs from his. I greatly admire his finesse and the purity of the logic he has applied, but on this occasion I believe that he is wrong.

I would like to remind the House of the voting procedure as regards provisional twelfths, since we shall have to be referring to it for a number of votes whilst this situation, which is unpleasant for everybody concerned, remains. It is budgetary procedure that when provisional twelfths are involved and we are consulted in connection with the provisional twelfths for compulsory expenditure we must express an opinion by simple majority vote, but than when it is in connection

Cot

with a decision on non-compulsory expenditure, it is Parliament which has the last word, though in order to amend a Commission proposal a qualified majority is required, that is 218 votes, the majority of the members of this House, and three-fifths of the votes cast if we wish to amend the proposal put before us.

Point four of Mr Fich's resolution sets us a difficult problem. This is the outcome of the Committee on Budgets' evaluation of the tinkering — if you will allow me the term — which has been put forward as a solution to the problem. The date for Greenland's withdrawal is not at stake, and I believe that we are all convinced that we must find a means of honouring our commitment to Greenland. We are unanimous in this, and it would be a mistake to think that there was any ill-will in the position adopted by the Committee on Budgets as regards Greenland or the problem of the Greenlanders. On the other hand, we did wish to show our reaction to the way in which the question has been handled. Mr Price would have been right had we been concerned with transfers in proper form. The Council did not think fit to do so, and preferred the somewhat unorthodox solution of relying firstly on the eleven twelfths of Chapter 42 — which raises no particular problem, and we propose a favourable opinion by simple majority vote — and, secondly, an 'imputation' under Article 32, without any reference to the procedures laid down in the financial regulation. This is the irregularity which has provoked the negative opinion of the Committee on Budgets.

Having said that, the logical basis for the opinion of the Committee on Budgets is as follows: Chapter 32 is a chapter which, in our view, forms part of non-compulsory expenditure. We are in slight disagreement with the Council over this interpretation of Chapter 32, but, in our view at least, it is non-compulsory expenditure. We therefore consider that the way forward lies in the amendment procedure, regardless of the name it is given, be it 'imputation' or anything else, once the transfers procedure has been excluded it is a procedure associated with the system of provisional twelfths with all its constraints. I personally believe that the requirement of 218 votes and three-fifths of votes cast is justified for the adoption of Paragraph 4, and that is the rule which I shall be asking the President to apply in a few moments' time.

Mr von der Vring (S). — (DE) Mr President, I agree with our Committee Chairman. I am very careful on this kind of issue. There is a German proverb which says you shouldn't discard something you might need one day. Specific legal frameworks are always necessary. But one thing is a mistake: the Council has not requested a transfer of allocations. Exceeding the monthly amounts means establishing an additional budget in line with the procedure for creating a budget, even if it is only a budget for one month. If the Council's request contains a transfer of allocations this is not the decisive issue, because it does not repre-

sent the amount we need for Greenland. The Council is requesting 12 additional twelfths here, too. The Committee on Budgets rejected this and a majority of 218 votes is necessary for rejection.

President. — I should like to point out to Mr Price that according to the agenda the vote will take place, as I said, at 6 o'clock this evening and not tomorrow morning. So I think there is no need for you to pursue the matter any further.

Mr Price (ED). — On a point of order, Mr President, I merely want to make the observation, in reply to what Mr Cot said, that it is for our own convenience that we have dealt with two quite different procedural matters in the same report. Our comment in paragraph 4 cannot be construed as an authorization of additional twelfths. Manifestly it is not the authorization of additional twelfths. It is a comment on the way in which the Commission executes the budget. Such a comment cannot be construed as coming under Article 204 and therefore requiring any special majority. The fact that we wrap it up in the same resolution as has other parts dealing with additional twelfths does not change the nature of what paragraph 4 relates to.

President. — The debate is closed.

The vote will be taken during the next voting time.

7. Tax arrangements for undertakings (contd)

President. — The next item is the continuation of the report (Doc. 2-1340/84) by Mr Abelin.¹

Mr Ulburghs (NI). — (NL) Mr President, I am a supporter of Europe, though not a Europe of multinational undertakings. For years, the multinational undertakings have had their own way in the European Community, profiting from this large market. The task of the European Community should in fact be to create a political counterbalance to their unchecked economic power.

I therefore find the Commission's directive disappointing, and support most of the amendments by Mrs Van Hemeldonck, which are aimed at restricting and controlling transfers of losses and profits made by multinational undertakings. The only Europe I shall defend is a Europe of workers in which the multinational undertakings can be monitored by worker representatives.

Secondly, I again come across the same rigid dogma in Mr Abelin's document: tax reductions to facilitate

¹ See previous day's debates.

Ulburghs

investment. In my own country, Belgium, the policy of gifts to undertakings and sacrifices by the population has not alleviated the crisis at all, the effect being at the most, as the government puts it, to reduce the rise in unemployment. Hence my negative attitude to this directive and the Abelin report.

Thirdly, tax cuts must not be applied willy nilly but should be linked to social criteria, such as promotion of employment, type of production, i.e. to meet real needs, such as housing, healthy nutrition etc., furtherance of an economically autonomous Europe, more aid to small and medium-sized businesses and small-scale experiments, and finally the protection of the environment. Only under these conditions can the Community concede anything to businesses and hence afford a drop in revenue.

Fourthly and to conclude, I would like to say that on the whole I am opposed to the fundamental principles of this directive and the Abelin report. And although I back most of the amendments tabled by Mrs Van Hemeldonck, I cannot support her sixth amendment, since it is based on the same idea of gifts for undertakings. Our starting point should not be profit and loss accounting in the narrow business sense, but profit and loss for society as a whole. What use are profit-making undertakings to us when our population is becoming increasingly worse off? What is the good of profits for some property speculators when if the housing shortage is becoming increasingly more desperate? What good are profits for the multinational undertakings and the farm industry when hunger in the world is assuming increasingly dramatic forms?

I advocate and argue for a global approach to these problems, going beyond economics, that is to say for a more social, decentralized and small-scale approach.

Mr Alavanos (COM). — (GR) Mr President, the representatives of the Greek Communist Party consider that the proposal for a directive on the carry-over of companies' profits and losses is an unacceptable interference by the Commission in the tax systems of the Member States, with particularly negative effects for Greece, where the rate of indirect taxes on legal persons, and notably on limited companies, fell from 17.3% in 1974 to 9.94% in 1984. At the same time taxation of natural persons has gone in the completely opposite direction, rising from 48.2% in 1974 to 63.77% in 1984. The main reason why revenue from the taxation of legal persons has fallen is not so much the drop in profits but the scandalous tax exemptions which are becoming more and more widespread, as well as an orgy of tax evasion by Greek and foreign firms established in Greece.

Lastly, we must point out once again that taxation of legal persons as a proportion of gross national product is lower in Greece than in all the other Member States: 1.3% in Greece, 1.9% in Italy, and 2% in the Federal

Republic of Germany. If this directive is implemented, it will have the following consequences for Greece:

Firstly, the tax will in practice operate like reserves for undertakings.

Secondly, the participation of large undertakings will be further reduced, to the detriment of the national budget.

Thirdly, it is those in paid employment who will have to make up the shortfall.

Fourthly, from a financial point of view, there will be considerable uncertainty regarding the collection of national budget revenue.

Fifthly, small undertakings which do not draw up annual accounts will be excluded from the privileges of this directive on the grounds that such undertakings do not contribute to international trade.

Lastly, with the system of carrying over profits to cover any losses made by subsidiaries, large companies, particularly the multinationals, will be given the opportunity of increasing their exemptions from taxation.

For these reasons the Greek Communist Party will vote against the draft proposal.

Mrs Van Hemeldonck (S). — The members of the Socialist Group were elected on the basis of a contract with the electorate in which they committed themselves to doing everything in their power to realize their first priority: the creation of jobs. Precisely for this reason, the Socialist Group intends to look at all documents that come before Parliament concerning economic, industrial and monetary policy and determine its stance in this light.

The retrospective carry-over of losses provided for in the draft directive to allow losses to be set off against results for previous financial years is yet another example of the piecemeal, incoherent approach followed by the Commission in recent years. The Socialist Group will vote against this over-liberal directive and against the Abelin report for a number of reasons.

First of all, as stated earlier, the directive is simply a gift to the financially well-endowed. It does not change anything in the business climate. It does not help to create jobs, and most of all does not combat international fraud via 'transfer pricing' between related undertakings. Finally, it will make the Member States poorer, cutting their revenue significantly, and will create considerable practical and administrative problems for national governments wanting to introduce a social budget. For all these reasons, the Socialist Group will vote against both the directive and the Abelin report.

IN THE CHAIR: MR ALBER

Vice-President

President. — The debate is closed.

The vote will be taken during the next voting time.

8. *Votes*

Report (Doc. 2-1365/84) drawn up by Mr Turner on behalf of the Committee on Energy, Research and Technology on the proposal from the Commission to the Council (Doc. 1-283/84 — COM(84) 231 final) for a decision adopting a programme on the management and storage of radioactive waste (1985-89)

Explanations of vote

Sir Peter Vanneck (ED). — I wish to speak on this excellent report by my colleague, Mr Turner, and to vote in its favour. Of course, the solutions to the problems are coming forward one by one all the time. The present advisory committee, we have heard, is a little secretive and the two-yearly report on this committee is well worthwhile. The sum of money, 92 million ECU from the Community matched by the various nations, is reasonable, but it is vital for the provision of cheap electrical power for industry and for our ability to compete with the Comecon and other countries that these by-products be dealt with effectively.

The situation in my constituency, in Cleveland, highlighted by the so very effective BAND (Billingham against nuclear dumping) is crystal clear. We are not unthinking NIMBYs. A NIMBY says again and again: 'Not in my backyard.' So we must, and gladly do, support further research before decisions are taken, as does this report.

Nuclear power is here to stay, to enhance the quality of our lives by giving us economic electricity. However, on a Community basis we must find out quickly how best to dispose of its inevitable wastes and thus never again even consider urban environment.

(Applause from the European Democratic benches)

Mrs Viehoff (S). — *(NL)* We are well aware of the fact that there is a problem with respect to the storage of highly radioactive waste. I raised this subject on a previous occasion in this House in connection with a report on a moratorium for nuclear energy — prepared by the very gentlemen who has just spoken — and accordingly also asked for this moratorium to be

introduced. To develop something while not being able to foresee the consequences is, to put it mildly, extremely careless. The irresponsible attitude of nuclear energy producers who continue to build nuclear power stations without any safe method having been found to store the waste is incomprehensible, indeed as is the attitude of the governments who give their permission for construction, hence acting contrary to their duty to look after the safety and welfare of their populations.

Up to a certain point, the proposed programme would have still been acceptable if the amendments tabled by Mr Ford and Mrs Bloch von Blottnitz and those tabled by myself, which call for all costs to be charged to the producers of nuclear energy, had been accepted. If costs were to be charged to the nuclear producers, the real costs of nuclear energy would be clearly apparent for all to see and it might then turn out that nuclear energy is too expensive. In any event however, we would be applying the polluter-pays principle, which is also used in other circumstances.

Now that these amendments have been rejected, I shall vote against the motion. I find it unacceptable that society has to pay for the costs of clearing away muck produced by an energy generation process which, I am firmly convinced, is incompatible with the interests, health and safety of the population.

(Applause from the left)

Mr Gautier (S). — *(DE)* I would like to make a short statement on behalf of the Lower Saxony deputies Mrs Simons, Mr Klinkenborg and Mr Wettig.

Unfortunately, we are bound to vote against Mr Turner's report although we support in principle the European Community's implementing research programmes on the final storage of radioactive waste. However, there is a sub-programme under which the mine at Asse is to become an experimental storage facility for highly radioactive waste. Unfortunately, we have had unhappy experiences with the mine at Asse in the past 10 years. To begin with it became an experimental storage facility for moderately radioactive waste which is allegedly recyclable, but in practice it turned out that this was not the case, and we are afraid that the Asse salt mine facility might be used to store highly radioactive waste as well, in circumvention of nuclear safeguard procedures.

For this reason we are, unfortunately, forced to vote against this report because we want to do justice to the fears of the populace and the technicians working in this field, because we believe that we were not elected to vote for such a programme, and because we have been deceived several times already in this connection.

(Applause from the left)

Mrs Gredal (S), in writing. — (DA) The Danish Social Democrats cannot vote in favour of the Turner report. We do not wish under any circumstances to enter into a debate on the storage of radioactive waste. We are against any form of atomic energy and therefore have no wish to discuss the problems of waste. For this reason, we shall vote against the report.

(Parliament adopted the resolution)¹

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Report (Doc. 2-1330/84) drawn up by Mr Sälzer on behalf of the Committee on Energy, Research and Technology on the proposals from the Commission to the Council (Doc. 1-342/84 — COM(84) 271 final)

- I. for a Council decision adopting a Research and Training Programme (1985-1989) in the field of thermo nuclear fusion;
- II. for a Council decision complementing Council Decision 84/1/Euratom, EC, of 22 December 1983 — realization of a tritium handling laboratory.

Explanation of vote

Mrs Bloch von Blottnitz (ARC). — (DE) To start off with, I would like to make it clear that I do not need to, and neither is it my style, to sign something using a different name. Perhaps this occurred in the bureaucratic machinery, but it ought to be quite clear that these amendments could hardly have come from the Committee on Energy, Research and Technology. Nevertheless, I would like to state that we will of course vote against this because, firstly, this project devours thousands of millions and whether we will ever achieve success with it is written in the stars, indeed almost beyond the stars — and that is too far away for us!

Secondly, the ironic thing is that the line we are so assiduously following here is called the Tokamak line. Tokamak is Russian for 'mighty current' — and it's precisely here that the money is just washed down the mighty current! Instead of this we demand that 90% of these research funds be used for alternative energy research and for better use of energy — which is the cheapest way of obtaining energy — and that 10% of the money is used for basic research into low-neutron

and low-radioactive nuclear fusion. Such things exist, gentlemen! That is what we think on this topic.

(Parliament adopted the Resolution)¹

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Report (Doc. 2-1341/84) drawn up by Mr Cassidy on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy on the proposal from the Commission to the Council (Doc. 1-198/84 — COM(84) 182 final) for a directive amending Directive 69/169/EEC on the harmonization of provisions laid down by law, regulation or administrative action relating to exemption from turnover tax and excise duty on imports in international travel.

After the vote on the Commission's proposal

Mr Cassidy (ED), rapporteur. — Mr President, under Rule 36 I wonder whether Lord Cockfield would give us the Commission's reactions to the amendments to the Commission proposal that Parliament has just voted?

Lord Cockfield, Member of the Commission. — Mr President, I had offered a number of important concessions in the hope that this accommodating and flexible attitude by the Commission would enable a conclusion to be reached. Your House has, however, voted in favour of the higher allowance. The original Commission proposal was presented by the previous college of Commissioners. I cannot on my own agree to the changes proposed by Parliament without consulting my fellow Commissioners, but that I am most willing to do.

Mr Cassidy (ED), rapporteur. — Mr President, may I through you thank Lord Cockfield for that extremely conciliatory and positive statement.

(Laughter)

We had been considering referring the matter back to committee under Rule 36, but under these circumstances I do not think I will press for that.

(Parliament adopted the resolutions)

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¹ The rapporteur was
— IN FAVOUR of Amendments Nos 1-8 and 24;
— AGAINST Amendments Nos 23 and 25-52.

¹ The rapporteur was
— IN FAVOUR of Amendments Nos 1-7, 14 and 15;
— AGAINST Amendments Nos 8/Rev. — 13.

Report (Doc. 2-1342/84) drawn up by Mr I. Friedrich on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy on the proposal from the Commission to the Council (Doc. 2-685/84 — COM(84) 403 final) for a directive amending Directive 69/335/EEC concerning indirect taxes on the raising of capital.

Explanation of Vote

Mr Alavanos (COM). — (GR) The proposal for a directive on the reduction of indirect taxes on the raising of capital is yet another of the many favours which big business in the Member States is seeking to obtain through the EEC institutions. As far as Greece is concerned, we do not need this proposed directive since there are enough privileges which already exist in this area. Under Law 184/67 industrial undertakings are exempt from the stamp duty applied to mergers of limited companies. There are also dozen of exemptions from a number of national and local dues applicable to the raising of capital.

In view of this, the Greek Communist Party wishes to stress once again, before value-added tax is applied in Greece, that the harmonization of our tax system with that of the EEC will be a dangerous and retrograde move against the interests of the Greek people. We shall therefore vote against this report.

(Parliament adopted the resolution)¹

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Report (Doc. 2-1343/84) drawn up by Mr Formigoni on behalf of the Political Affairs Committee on the consultation of the European Parliament on the accession of Spain and Portugal to the European Community.

Explanation of vote

Mr Christiansen (S). — (DA) In the final vote on the Formigoni report, we shall vote in favour, because the 1983 Stuttgart Declaration lays down quite clearly that the views of the European Parliament shall be obtained before a country accedes to membership of the European Community, and this new element in Parliament's competence was officially approved by Denmark at the Stuttgart meeting. Our approval of the Formigoni report is, however, subject to the reservation that our vote does not include acceptance of paragraph 7, which we are against. It is our under-

standing that once the 10 national parliaments have ratified the Treaties of Accession, Spain and Portugal automatically become members. In accordance with Article 237 of the Treaty of Rome, ratification is quite clearly a matter of national competence and not a matter for the European Parliament.

(Parliament adopted the resolution)¹

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Report (Doc. 2-1540/84) drawn up by Mr Curry and Mr Fich on behalf of the Committee on Budgets relating to

- first authorization for additional provisional twelfths for the 1985 financial year (non-compulsory expenditure); and to
- initial opinion by the European Parliament on the authorization of additional twelfths for the 1985 financial year (compulsory expenditure).

Explanation of vote

Mr Tomlinson (S). — I believe we are trying to exempt the European institutions from the consequences that arise from the decision to reject the 1985 budget. Although the resolution says that this is without prejudice, it is to underline our unwillingness always automatically to accept any proposals for supplementary twelfths that my friend Pitt and I have tabled these amendments.

In view of the fact that some of the amendments have now been incorporated in the text and that we have dealt more satisfactorily with the position of Greenland, I will propose to my Labour colleagues that we support the resolution as amended, but we do so in the sense of giving clear warning that we will not automatically agree to requests for additional twelfths just for our own convenience and to sort out our own administrative problems. They are problems created by the Community institutions. We have to learn to live with them. When we rejected the budget by 318 votes to 3 we did so knowingly, knowing that there would be difficulties, and it will not be part of our role to help automatically to find a way out of those difficulties until the Council and the other institutions have learned to take a more responsible attitude to the problem of the 1985 budget as a whole.

(Parliament adopted the resolution)²

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¹ The rapporteur was
— IN FAVOUR of Amendments Nos 1-3.

¹ The deputy rapporteur, Mr Habsburg, was
— IN FAVOUR of Amendment No 2.
² The rapporteur was
— AGAINST Amendments Nos 2-6/rev.

Report (Doc. 1340/84) drawn up by Mr Abelin on behalf of the Committee on Economic and Monetary Affairs and Industrial Policy on the proposal from the Commission to the Council (Doc. 2-627/84 — COM(84) 404 final) for a directive on the harmonization of the laws of the Member States relating to tax arrangements for the carry-over of the losses of undertakings.

Explanation of vote

Mr Bonde (ARC), in writing. — (DA) The Commission's proposal on the harmonization of the regulations relating to the carrying over of losses to previous or subsequent years will increase the earnings and liquidity of the undertakings concerned without any guarantee whatsoever that these increased earnings and liquidity will be used for investment, in new jobs, for example. The European Community is thus meddling in taxation and distribution policy in defiance of the promises made to the Danish people before the 1972 referendum on Community membership. The Danish People's Movement against Membership of the European Community therefore opposes Mr Abelin's report.

(Parliament adopted the resolution)¹

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9. Foodstuffs — Fresh meat

President. — The next item is the joint debate on

— the report (Doc. 2-1106/84) drawn up by Mrs Weber on behalf of the Committee on the Environment, Public Health and Consumer Protection on

the proposals from the Commission to the Council (Doc. 1-358/84 — COM(84) 337 final) for

- I. a directive amending Directive 64/433/EEC on health problems affecting intra-Community trade in fresh meat;
- II. a directive amending Directive 71/118/EEC on health problems affecting trade in fresh poultrymeat;
- III. a directive amending Directive 77/99/EEC on health problems affecting intra-Community trade in meat products;

— the second report (Doc. 2-1327/84) drawn up by Mrs Weber on behalf of the Committee on the

Environment, Public Health and Consumer Protection on

the proposal from the Commission to the Council (Doc. 1-1478/83 — COM(84) 39 final) for a directive concerning the introduction of Community methods of sampling and analysis for the monitoring of foodstuffs intended for human consumption;

— the second report (Doc. 2-1328/84) drawn up by Mrs Weber on behalf of the Committee on the Environment, Public Health and Consumer Protection on

a proposal from the Commission to the Council (Doc. 1-346/84 — COM(84) 291 final) for a directive on the financing of health inspections and controls of fresh meat.

Mrs Weber (S), rapporteur. — (DE) Mr President, ladies and gentlemen, my intention in submitting so many reports for this part-session was not to put on a one-man show for Parliament. The reason is simply that our committee felt we should at long last produce deeds to match the grand pronouncements about improving working conditions. For this reason we suggested that certain Commission proposals for directives be discussed in the House in a simplified procedure, in order to make it clear that it is quite possible in many cases to deal with technical matters very precisely and quickly, to take the decisions, and — if necessary — to tell the Commission that it still has to work on some things.

For this reason we also applied for a joint debate on the three reports on trade in meat products, on methods of sampling and analysis for the monitoring of foodstuffs intended for human consumption, and on the financing of health inspections and controls.

We believe that all these three proposals for directives are extremely important for the consumer. The proposal dealing with health controls for meat is meant, particular, to make clear that it is urgently necessary to have the same controls in all countries where there is intra-Community trade in food. You will perhaps remember the instances of meat not being adequately inspected in Belgian abattoirs. For this reason there should be sensible standardization. We had asked that there be no debate on these three topics. Unfortunately, this has not come about due to an objection from the Committee on Agriculture, Fisheries and Food. However, I would still ask Members to keep discussion of these topics very brief because we do not want to torpedo unnecessarily such moves to improve working conditions. It is precisely for this reason that I have not used up all my speaking time.

¹ The deputy rapporteur, Mrs Van Rooy, was
— IN FAVOUR of Amendments Nos 1-3 and 10;
— AGAINST Amendments Nos 4-6, 8, 9 and 11.

Mr Eyraud (S). — (FR) Mr President, ladies and gentlemen, it is certainly not my intention to criticize

Eyraud

the rapporteur in any way — I have on many many occasions been able to appreciate Mrs Weber's contributions — nor, indeed, to criticize the Commission for its proposals for a directive on health problems affecting intra-Community trade in fresh meat of various animals, or regarding the introduction of methods for the taking and analysis of samples, or the financing of such measures.

The proposals are good, and represent a significant step forward from the 1964, 1971 and 1977 directives.

My comments are of a purely technical nature, for I consider that even more can be done, and that we must look to the future.

Firstly, we must go further in the harmonization of methods for taking and analysing samples. For this we can rely on the diligence of the experts of the Standing Committee on Foodstuffs. Secondly, by providing in a future directive some Community financial incentive for the harmonization of national rules on the financial contribution to meat inspection. Thirdly, by drawing up a common legal basis for guarantees against the risk of harm being done to the producer by long delays in analysis. That will provide the consumer with the guarantee that, regardless of the time taken for an analysis, it will always be carried out properly, which is not always the case at present. Fourthly, by applying stricter rules to the use of abattoir waste, to avoid the spread of epidemics and epizootic outbreaks. Fifthly, by taking another look at the rules relating to minced meat and tenderized meat, which can be the source of serious problems when they are not properly prepared or supervised as regards health.

These are just five suggestions which I believe should be brought to the attention of the House, and applied as soon as possible.

Mrs Squarcialupi (COM). — *(IT)* Mr President, I do not want to go into the details of these directives here, although I am well aware of their importance in economic and social terms and for consumer protection.

I want to discuss a broader issue, an institutional problem, and ask when we can expect the competent committees to be granted advisory powers, as this would save time and speed up procedures. These directives could also undoubtedly have been decided by the Commission.

Another problem lies in the general approach to consumer policy. These directives by no means go far enough to meet the present needs of consumers. They are an important step in the right direction but they are not enough. A more decisive approach is needed to tackle the problem of the harmful products, the ill-effects which certain goods may have on consumers. Too many goods which are dangerous and harmful

but nonetheless permitted for agricultural use are still on the market; our limit values are too high for substances which may be damaging to health and very often the time limit for using up stocks is too long. We, who have often spoken out in defence of animals are now coming to realize that it is our turn to be the guinea pigs because certain substances are being kept on the market.

Consumer organizations are pressing more insistently than ever for more attention to be given to the need for greater safety and hygiene and our committee shares their concern.

So we urge the new Commission to spare a little more thought for the consumer, particularly the unemployed, underpaid, those who belong to the ever growing 'league of the 'newly poor'. And we can assure the new Commissioners that there is no shortage of material requiring attention, and on which this House has already expressed its opinion.

We cannot, then, be happy with these few small steps, even though they are better than nothing, coming as they do after a period of stagnation in consumer policy. The time has come for real action.

Mr Ulburghs (NI). — *(NL)* Mr President, I naturally support the Commission's initiatives, as presented in the various Weber reports concerning safeguards for meat consumption. One cannot be too stringent in this field, where the health of our population is at stake. However, I fear that these measures will not eliminate the problem connected with healthy nutrition in general and healthy meat in particular. The root of the problem lies in the methods of production dictated by the striving for profit. Hence the rearing of animals in large sheds under the most wretched of conditions, which represent a veritable indictment of our civilization, instead of on small-scale farms conducive to both animals and humans and healthier to boot. Hence the use of hormones and the existence of slaughterhouse factories where any serious form of supervision is virtually impossible. Hence the use of additives and the like, with an unhealthy end product as the result.

Indeed, to what extent are the criteria for 'healthy' and 'unhealthy' determined by this same profit motive? And should we not also give some thought to excessive consumption of meat? The only way to bring about change here is to ensure that meat production is determined by the quality of the end product and no longer by just the market system. This can only be done if we return to natural production methods, which would amongst other things entail a significant reduction in scale and a concomitant change in our eating habits, resulting in the consumption of less meat.

Finally, Mr President, is it not high time that we set about this task, since our collective health is at stake?

Ulburghs

We are, however, still a long way from doing so, even with the directives considered in the Weber reports.

Mr Andriessen, Member of the Commission. — Mr President, I would like to start by thanking Parliament and especially the Committee on the Environment, Public Health and Consumer Protection, together with the Committee on Agriculture Fisheries and Food, for the support they have given to the Commission's proposal. It may be said that the step to be taken is a small step, but it is important nonetheless. Of course, one can also question the entire system of production. Independently of whether this system has advantages or drawbacks however, I would say that we should be happy we are not setting up the system itself as a check on whether the results of these production processes are being passed to the consumer in an acceptable fashion. That is ultimately the idea behind these three directives, which I shall not name again in full, as the rapporteur has already done so. I should just like to say that the Commission believes that a harmonized solution at Community level may resolve a number of difficulties caused by the diversity and complexity of the different bodies of national legislation, and that this is in any event in the interest of the consumer.

Here is an example of what I should like to call good cooperation between Parliament and Commission in taking a further step forwards in this important field.

I shall be glad to pass on the recommendation to give more systematic consideration to the consumer aspect in the Commission's overall policy to the colleague of mine responsible for these matters.

President. — The debate is closed.

The vote will be taken during the next voting time.

10. *Aid to non-associated developing countries*

President. — The next item is the report (Doc. 2-1334/84) drawn up by Mr Guermeur on behalf of the Committee on Development and Cooperation on

— the proposal from the Commission to the Council (Doc. 2-801/84 — COM(84) 526 final) for a decision determining the general guidelines for 1985 concerning financial and technical aid to non-associated developing countries.

Mrs Simons (S). — (DE) Mr President, ladies and gentlemen, we are discussing the general guidelines for financial and technical aid to non-associated developing countries at an interim stage which stems from the fact that at the moment there is no 1985 budget

and — and this is more important — that the Commission intends to review these guidelines in the course of this year. So what we have is simply a continuation of the 1984 programme. Given this proviso I still think it is important to make a few points, and in doing so I am expressing the Socialist Group's view.

The Community's development cooperation has not been confined to the associated States, i.e. the ACP States, for a long time now, and it would be wrong if we thought we could limit it to them. The aid for the non-associated developing countries has, on the contrary, become part of the European Community's world-wide obligation to other regions of the world, whose people look to us and expect our support — in countries in Latin America, Central America and Asia. The annual increase in the amount made available for this, in line with this House's wishes, shows that the Community takes this responsibility seriously, that this field of European policy is becoming more and more important. We Socialists, see development aid as being a part of international peace policy. In our eyes every thing the Community undertakes as part of its development cooperation measures is aimed — in view of the growing tensions, increasing conflicts and the looming danger of war — at reducing conflicts and promoting peace.

Thus, development cooperation should contribute to reducing the world-wide discrepancy in prosperity, and thus the tensions between North and South. Seen from this angle the financial and technical aid involved here has a deliberate political nature going beyond aid measures.

In order to make this clear, let us take a look at one area: the measures benefiting Central America. I would again like to stress how much I welcome the decision taken by the Council of Foreign Ministers at the San José Conference last October. The Foreign Ministers showed the way here by unreservedly supporting the Contadora Group's efforts in defiance of the American Government, and by promising — via the Commission — an additional 30 million ECU for the countries of Central America — including Nicaragua. These funds belong to the part of the budget we are now discussing in the interim. They have been earmarked by Parliament. Our demand of the Commission and the Council is, therefore, that they now follow up the decisions they have already taken with a corresponding draft budget.

Finally, I would like to address a few words to the new Commission in the person of Mr Cheysson, who is responsible for such matters. We are well aware that only a limited amount of money is available for the non-associated developing countries, which makes it all the more necessary to use these funds as effectively as possible. Thus, we expect the Commission to subordinate all the aid efforts under consideration to a new concept whose details I do not want to go into at the moment, but which must meet a certain indispensable

Simons

condition. It must — on thorough political reflection — help those who really need it. It must be so arranged that the public gets a positive impression, and rightly so, of a European administration which can weigh up things properly, act cleverly and flexibly, and effectively review its own actions. We know that often this is not the main impression the public has, sometimes rightly, sometimes wrongly. Let us build on this debate to do more to obtain improvements, you in the Commission, but also we in this House.

Mrs Daly (ED). — Mr President, my group is in favour of the general tone of the Guermeur report. As Conservatives, we strongly support Community aid to non-associated countries, particularly the poorest and least-developed ones. We hope this House will support our amendment calling for improved evaluation of projects.

When funds are limited and needs are great, it is essential, first, to have a proper analysis of projects before agreeing to put money into them, secondly, to have an evaluation during the project and, most important of all, to have a system whereby the effectiveness of the project can be measured once it is fully in operation. We believe it is important to learn from our experiences in one country so that another may benefit.

We strongly support paragraph 16 which calls on the Committee on Development and Cooperation to carry out an overall examination of the implementation of the programme since 1976 and an assessment of the results. Such an examination is necessary not only to assess the results but also to help us identify priorities in the future.

Our group firmly believes that some of the problems affecting the administration of food aid are due to a shortage of staff in the part of the Commission responsible, DG VIII. They are seriously understaffed in comparison to national and international aid administrations, particularly as staff numbers are related to the volume of aid handled. False economies in staffing do not pay. Our group has therefore written to the new Commission President, Jaques Delors, asking him to review the situation urgently.

Mr Verbeek (ARC). — (NL) As Members of Green-Alternative European Link in the Rainbow Group, we cannot unconditionally agree to the Guermeur report. We find it a pity that the policy guidelines have simply been taken over from 1984, and that these guidelines have not been properly analysed or discussed. We know that aid is steadily becoming more commercialized, with the countries concerned being placed increasingly at a disadvantage, also with respect to the EEC, and their debts constantly increasing.

In particular, we have strong objections to Paragraph 10 of the motion for a resolution, on aid to China.

Not that we are opposed to good relations with China, but it seems to us that this paragraph concerns full trade relations rather than aid. The budget for this form of aid is small enough as it is, and we believe that China is no longer among the poor or poorest countries.

We have a question to put to Mr Natali. There is a rumour that the responsibilities have been split, with Mr Natali looking after the Lomé countries and Mr Cheysson the non-associated countries. In that case, we would have expected him here this evening. Some clarification could perhaps be provided on this point.

Mr d'Ormesson (DR). — (FR) Mr President, ladies and gentlemen, it is my honour to submit to the House an amendment to the motion for resolution included in Mr Guermeur's report. The amendment would delete in Paragraph 8 of the resolution the financial aid for the government of Eduardo dos Santos. This is why.

Civil war is raging in Angola, and this serves the interest of the Soviet Union and Cuba, since the royalties of the oil companies are used to finance the maintenance of occupation troops.

Three communist offensives were launched last summer against the UNITA forces; the first towards the south-east of the country, the second towards the centre, and the third from north-east to south-east. Their aim was the reconquest of the Kazembo region and the province of Luando-Lubango. Had they been successful, they would have concluded with a march on Jamba, the provisional capital of Jonas Savimbi, the president of UNITA. In the north-east/south-east campaign alone, the communist forces abandoned on the field of battle 98 of the 200 soviet tanks used, and 2 600 soldiers.

Last summer's battles entailed heavy losses on both sides. My colleagues and I were shocked when visiting the UNITA field hospitals last month to see the number of young men who had lost limbs. UNITA has nevertheless consolidated and significantly increased its forces, which are strictly voluntary — unlike the conscripted forces of the communists.

Despite the shortage of air support, despite the soviet helicopter gunships, despite the soviet T 34 and T 52 tanks, the UNITA batallions have resumed their march north-east towards the Zaire frontier, which they already occupy to a large extent.

After taking control of the Zambian and Namibian borders, they are now liberating the territories alongside the Zaire frontier, particularly the diamond-mining areas. The communists now have their backs to the sea in the enclaves of Luanda, Benguela, and Mocamedes. The government in power in Luanda would collapse without the support of the 40 800

d'Ormesson

Cubans and the 8 000 Soviet, East German and Portuguese communist military advisers and police.

In such a situation, giving financial aid to the dos Santos government, and ratifying the accession of Angola to the ACP States is tantamount to contributing to the continuation of the war. The key to peace and independence in Angola lies, as in Namibia, in our determination to show the conflicting forces that we invite them to negotiate a cease-fire, the departure of all foreign troops, and the holding of free elections. Jonas, I know, has no fear of peace, or of liberty.

Mr Ulburghs (NI). — (NL) Mr President, this is the last time I shall speak, then you will be rid of me as I have already talked so much.

On 28 September 1984 in San José, Costa Rica, Mr Pisani promised that European Community aid to Central America would be increased from 40 to 80 million ECU per year. Along with Mr Guermeur, I regret that the draft Council guidelines for 1985 do not contain anything on this point. This support for Central America, in particular for the grassroots projects in Nicaragua, is of major importance in my view.

Mr Natali, Member of the Commission. — (IT) Mr President, I am speaking on behalf of my colleague Mr Cheysson who is responsible for aid to non-associated developing countries and who was unavoidably detained elsewhere. He has, however, been consulted on what I am about to say, just as we consult on action in the field of development policy. May I begin by thanking those of you who have contributed to this debate and say that we are very pleased that this report has received such a positive response.

The report underlines the validity of the guidelines proposed by the Commission and highlights two points: in broad terms, it stresses the need to continue initiatives favouring the poorer developing countries and to improve coordination of Community aid by the Member States; more specifically, and several speakers have mentioned this, it points to the advisability of stepping up aid to Central America, extending cooperation with China and maintaining aid to Mozambique and Angola until they are able to reap some practical benefit from the Lomé Convention. We wholeheartedly support these recommendations, which have, furthermore, been echoed by speakers today.

As regards Africa, I have noted what Mr Ormesson has said: however, the Commission is quite opposed to Amendment 3 submitted by him in point 1 of the motion for a resolution which asks for Angola to be excluded. I want to make it quite clear that we are aiming neither to sustain nor to combat political regimes. We take the view that Community aid should go to the peoples who need it. This is what our policy and our management of the aid is trying to do and I

believe that the people of Angola need it. For this reason we are opposed to Mr d'Ormesson's amendment.

(*Interruption by Mr d'Ormesson*)

Mr d'Ormesson, I have already said that we give aid not to the governments but to the people and we believe that the peoples of Angola need this aid and we will do our utmost — and I repeat this — to prevent its being misused. We have already discussed this in previous debates and we will no doubt be discussing it again shortly when Mr Galland gives his report.

The Commission also opposes Mr Kuijpers' amendment, presented by Mr Verbeek, because we feel that the maintenance of resolution 10 on the continuation of aid to China is justified in view of this country's needs and the positive results of the cooperation on the 1983 aid programme. An examination of management of the aid in the past has shown this to be effective and in line with the principles expressed in the basic regulation and the approved annual guidelines, bearing in mind, of course, the complex nature of the rural development action and the need for it to be carried out over a period of years, bearing in mind, too, the practical difficulties in giving aid to poorer beneficiaries whose administrative resources are very often more limited and finally, and this has been demonstrated here, bearing in mind the shortage of personnel available for this type of Community aid, in Brussels and in the beneficiary States. The Commission will take into account the recommendations made on this point in the report.

I would also like to say that as far as we are concerned there is full agreement on the need for a Commission report on the priorities and needs of the non-associated developing countries, but that we may be unable to meet the deadline of June 1985 purely and simply because of the shortage of staff.

In conclusion, may I say again that we are well aware of the political importance of this type of action.

Mr d'Ormesson (DR). — (FR) Mr President, ladies and gentlemen, I have every respect and great esteem for Mr Natali, but I have to tell him that he is wrong. By granting this loan to Luanda, and not to the territory which has already been liberated by the UNITA he is giving *de facto* moral recognition to a government which is imposing a totalitarian regime on a part of the people of Angola. We would be better advised to abstain from choosing between the two camps and to repeat with determination that we require a cease-fire, the withdrawal of all foreign troops, and free elections. That is the role of democracy! I have no fear of peace, or of liberty!

(*Applause from the Group of the European Right*)

President. — The debate is closed.

The vote will be taken during the next voting time.

11. *Management of food aid*

President. — The next item is the report (Doc. 2-1338/84) drawn up by Mr Galland on behalf of the Committee on Development and Cooperation on the management and implementation of food aid under the provisional twelfths system.

Mr Galland (L), rapporteur. — (FR) Mr President, ladies and gentlemen, you are well aware that our Community has humanitarian aims. Our aid is offered through emergency measures and regular programmes, and forms one of the principal elements in Community policy for cooperation with the developing countries.

Food aid is, of course, essential and will remain so for many years to come, because of demographic growth, endemic drought and the continuing advance of the desert which jeopardizes all attempts at development, particularly the primary aim of self-sufficiency and security of food supplies for the developing countries.

This is why our House has on a number of occasions pondered the efficiency of food aid, and sought to reviewed its fundamental concepts. You are aware, ladies and gentlemen, that Community food aid revolves in the main around cereals and dairy products. Other products are not ruled out, of course, and since our celebrated debate on hunger in the world the diversification of products by means of three-legged operations has shown a distinct upward trend.

The European Parliament has been consistently opposed to the use of food aid as the means of disposing of the Community's agricultural surpluses, particularly in the cases where such products are not fully suited to the true needs of the people. On the other hand, it must be noted that the cereals shortfall of the developing countries has worsened considerably over the past decade, and is likely to continue to worsen.

That was why this House decided during the first reading of the budget to reduce food aid in powdered milk and butteroil and to increase the quantities of cereals, sugar, vegetable oil, and especially aid in the form of other indispensable products originating in the developing countries themselves.

The problem we now face, Mr President, is that the annual report on food aid, which it is this year my duty to submit on behalf of the Committee on Development and Cooperation, is somewhat changed by the system of provisional twelfths. This was the outcome of a long discussion in Committee. Initially

we had to be satisfied with tabling a motion for resolution, raising the main problems facing us today with our budget procedure, and in the knowledge that the final report on the management of food aid could not be drafted in 1985 until after the budget has been adopted.

I ask you to note, however, that the motion for resolution sets out clear priorities, and that it is essential that the House reaches a decision, since, as you know, one of the chief reasons for the rejection of the Commission's budget discharge for 1983 was the way in which food aid was managed.

Now when we re-read the report of the Court of Auditors we can see plainly that the Commission was seriously at fault in the way that food aid was managed in 1983, but the Council had its share of responsibility, and Parliament itself is not entirely blameless, inasmuch as it should never under any circumstances hold up the decision-making process, which is why it is important to adopt the motion for resolution which I submit to you today. The motion for resolution itself naturally deplores that food aid must be managed under the system of provisional twelfths.

Paragraph 2 of the motion for resolution notes that until the 1985 budget is fixed, food aid supplied by the Community will follow the amounts in the 1984 budget for commitment appropriations, and the draft 1985 budget for payment appropriations, and that in view of this, supplies of food aid can be carried through on the basis of the 1984 implementing regulation for the management of food aid.

Ladies and gentlemen, I would like to digress briefly to remind you that one of the arguments used to persuade our Assembly not to reject the 1985 budget was 'if you reject the budget there can be no food aid'. It was not true. Food aid can, of course, continue. It can continue on terms which, though not ideal, are perfectly acceptable, and this motion for resolution is a reminder of the fact.

Paragraph 4 of the motion for resolution is particularly important. In it we call on the Commission to take due account in managing the provisional twelfths of the priorities which were clearly and overwhelmingly set out by this Assembly during the first reading of the 1985 budget, in order that the guidelines may become reality when the 1985 budget is adopted. It is clear that, in the light of the observation which the House had made on the implementation of previous years' food aid, aid in the form of dairy produce was to diminish. For a number of reasons the Commission was not happy with this decision by Parliament. By use of the provisional twelfths the Commission could attempt to distribute more dairy produce during the first part of the year and thus face the House with a *de facto* situation at the end of the provisional twelfths which left us with difficulty in redressing the balance even by our votes, and that we would distribute more

Galland

dairy produce than we wished or the people required once again in 1985.

And we draw the Commission's attention explicitly to the good relations which Mr Delors described when he took up office, when he declared that deeds counted for more than words. Deeds clearly include taking proper note of the will of Parliament, managing the provisional twelfths and distribution food aid in accordance with Parliament's wishes. So that there can be no possible misunderstanding about this, our motion for resolution lists category by category the quantities of products voted by Parliament during the first reading of the budget: cereals, dried milk, butter-oil, sugar, vegetable oil, figures which would doubtless have been confirmed at the second reading had we had a second budget.

In conclusion, ladies and gentlemen, although this motion for resolution is not a long one, it tackles the essential problems, calls on the Commission to draw up a new 1985 budget as soon as possible, including a Chapter 9 which takes account of the wishes of Parliament expressed during the first reading, a new draft implementing regulation for food aid in 1985 and — most important — new draft basic rules for food aid which reflect the budgetary competence of this Assembly. We are now in a situation where, since there is a desire to harmonize relations between institutions, and a desire to take account of competence of the European Parliament as regards food aid, it is a matter of urgency for the Commission to propose new basic rules which respect Parliament's competence as regards the budget. The new Commission will be wrong if it does not do this, Mr Natali, since it will leave a problem between Council and Parliament which recurs with every budget, and which the Commission and no-one else is in a position to put right by drafting new rules. Clearly, we cannot allow procedural abuse to threaten Parliament's budgetary competence in food aid, and you will be aware, Mr Natali, that the House will repulse such a threat unanimously; you are aware of your own responsibilities, and I trust the Commission will have the pragmatism and the courage to act.

That, ladies and gentlemen, is how we stand at present. In the almost unanimous view of the Committee on Development and Cooperation the motion for resolution can cope with our present budgetary situation, and allow us to manage food aid as best can be done during the first half of 1985 — and that best will, from our point of view, and in spite of the circumstances, be fairly satisfactory.

Mr Fich (S). — (DA) Mr President, I have been asked by the Chairman of the Committee on Budgets, Mr Cot, who unfortunately cannot be here, to comment on Mr Galland's report. This proposal raises a number of problems relating to budgetary matters, but we in the Committee on Budgets are hoping to avoid

misunderstandings between our committee and the Committee on Development and Cooperation and I should therefore like to make a few points on Mr Cot's behalf.

Paragraph 2 states, among other things, that the twelfths mechanism is to be administered in terms of amounts of food aid; this is, of course, incorrect. It is, of course, determined by the 1984 appropriations and the appropriations in the proposal for 1985. In addition, paragraph 6 requires the Commission to draw up a new budgetary proposal for 1985 as soon as possible. We have not taken a decision on anything like this either in the Committee on Budgets or in plenary session. In the vote which was taken a moment ago, we took several *ad hoc* decisions, but this was quite clearly not meant to set a precedent, and it was very important for us that no firm decisions should be made on matters of principle.

I should therefore like to lay down three principles which I hope Mr Galland can endorse, since I am doing so in the hope that the two committees can remain in agreement. Firstly, this motion for a resolution must not be considered as being in conflict with the motion that has just been passed by our vote on twelfths. It is clear that the resolution we have just adopted stands, and there is nothing new in this proposal.

Secondly, this motion for a resolution must not be considered as containing a resolution on how the twelfths mechanism shall be administered. Thirdly, the motion for a resolution from Mr Galland must not state what kind of methods are to be used for setting the budgetary procedure in motion again. These matters are being debated not only in the Committee on Budgets but also here in the Chamber, and therefore it is too early for us here to be taking budgetary decisions like this.

There should be no doubt that we in the Committee on Budgets are sympathetic to and support food aid and development aid; but that is not what it is all about. We just do not wish to take budgetary decisions here indirectly, since if we did so we could come up against all manner of difficulties when we come to a further discussion on the twelfths mechanism, and on how we are to get a budget for 1985. I hope that Mr Galland will be able to endorse these comments.

Mr J. Elles (ED). — Mr President, I welcome the opportunity to speak in this debate on behalf of my colleagues in the Committee on Development and Cooperation. We, in the European Democratic Group, agree with the broad outlines of the Galland report, and I would like to make just three points in that regard.

Firstly, we should take account of the priorities set out by the European Parliament in its first reading of the

J. Elles

1985 budget. Secondly, we should be looking for some flexibility in the operation of the provisional twelfths in this sector so that the Commission can administer food aid properly during this rather difficult interim period. Of course, we take the point made by Mr Fich that the Committee on Budgets, of which I am a member, has not yet decided how the provisional twelfths should be operated.

Thirdly, and lastly, we welcome the improvements that have been made in the administration of food aid during 1984, but we are concerned about the renewed criticism of the Community's food aid programme by the Court of Auditors in its 1983 report. We recognize that the Commission does not have prime responsibility for failure and errors on the part of national intervention agencies. Indeed, we are increasingly concerned that there is a tendency by the Court of Auditors to pick on isolated cases and blame the Commission regardless of its culpability. For that reason we support the idea of having a new proposal for a basis regulation on the management of food aid and will be calling for a full parliamentary report on the situation, because we should avoid in the future the kind of criticisms that the Court of Auditors has mentioned in its report.

Mr Natali, Member of the Commission. — (IT) Mr President, may I begin by thanking Mr Galland and the Committee on Development and Cooperation for the motion it has tabled and which bears witness to a desire to solve the problems the implementation of the 1985 food aid programme, by adopting a pragmatic approach which will enable the Commission to take the necessary measures to combat the current crisis.

It is true that an implementing regulation is normally required to implement food aid appropriations but for 1985, as we have seen, the fact that the budget has not been approved puts the Commission in a difficult situation which is not covered by the texts and which can be resolved only with sensitivity and with the good will of all the institutions, and by adopting a practical approach.

In fact, as the Commission has already had occasion to point out to the Committee on Development and to the Council, the 'global annual amounts' of food aid can be established only once the budget has been drawn up. Furthermore, the Council made a joint statement in 1983, accepting this fact.

Nonetheless, the Council now considers that what is needed is a regulation, even with the provisional twelfths, and it submitted an urgent proposal to this effect which Parliament threw out.

The question now concerns the amounts which this regulation should set, given the differences of opinion between Parliament and the Council which emerged during the budget debate. The Commission feels, Mr

Galland, that these amounts should reflect as closely as possible the priorities laid down by Parliament on the first reading of the budget.

Under these circumstances and with Parliament's support, which has found expression in this motion, we will press the Council to try to find an exceptional solution which will allow the urgent needs of the developing countries, in particular the African countries hit by the famine and drought, to be met, so that the emergency aid delivered in December 1984 can be followed by the 1985 appropriations.

Once the budget has been approved, the Commission will amend its original draft regulation, adjusting the amounts for 1985 to the credits in the 1985 budget.

During the debate, there was another request for a restructuring of the framework regulation. The new Commission has unfortunately not yet had the opportunity to look into this problem. However, I would remind you that during 1984, at Parliament's insistence, the Commission looked into the matter very thoroughly and came to the conclusion that, all in all, the framework regulation had meant considerable improvements to the existing situation. This is particularly true of the transfer from the Council to the Commission of responsibility for all decisions on appropriations for food aid. Before, of course, all these decisions had been taken by the Council.

Naturally, Mr Galland, I am prepared to deal with this problem myself and inform you in the near future of any factors which may alter the situation.

And, as there have been some comments in this House on the matter of the recent criticisms made by the Court of Auditors and picked up by the Press, implying that both the mechanism of the regulations and the management of the food aid left something to be desired, I would ask you to bear with me for five minutes while I give you a number of figures which I think you may find interesting.

May I start by saying that we are quite prepared to look into the possibility of improving these procedures. However, I want to make it plain — as has already been pointed out — that 1983 cannot be considered a normal year, as it was the first year in which the framework regulation was implemented. It has been said, and I will say it again now, that in view of the time taken by the institutions to discuss the new regulation, the Commission was unable to start its work until after 11 July 1983, when the total amounts had been decided by the Council. I do not want to go into the details of the Court of Auditors' report now because they will be examined later in accordance with the normal procedures. However, it is interesting to see that for the next year, 1984, not only has some of the lost ground been made up, but the amounts given were well above the normal annual amount.

Natali

The total sums mobilized in 1984 were: 1 448 465 tonnes of cereals, compared with the annual amount provided for under the 1984 budget of 1 127 663 tonnes; for powdered milk, 186 509 tonnes, compared with 122 500 tonnes provided for in the 1984 budget; butter oil, 57 841 tonnes compared with 32 760 tons.

This shows that the new procedures have unquestionably improved the day-to-day administration of food aid. The Commission has also taken important and exceptional measures, granting some 420 million ECU in emergency aid to Africa in 1984, measures which show that crises can be dealt with rapidly and efficiently.

It is therefore important to stress that the criticisms made by the Court of Auditors in 1983 can have no bearing whatsoever on recent events.

European public opinion, ladies and gentlemen, enflamed by the appalling scenes which are reaching us from the regions affected by famine and drought, is demanding that we be consistent. Of course, we have ultimate targets and we will stand firm on our intention to isolate and overcome the causes, but we must heretofore keep within the bands of the facts and figures we know. And we will reserve our greatest efforts and all the resources of which we certainly have to work together with care and industry to redouble our efforts where we can.

I am sure, Mr President, that today's debate in this House will have contributed towards this.

Mr Galland (L), rapporteur. — ((FR) I now realize that there seems to be a misunderstanding between the Committee on Development and Cooperation and the Committee on Budgets, and I should like Mr Fich to reassure the Committee on Budgets and its Chairman, Mr Cot.

We are not at all against the motion for a resolution on provisional twelfths. I would simply point out that this report is drawn up and is an annual report. The problem which faced us was whether we should table a motion for a resolution now, before the vote on the budget, and Mr Natali has explained to you why we had to do so: it is because the Council considered that a basis for a regulation on provisional twelfths for food aid was necessary. And so Parliament has drawn up this motion for a resolution so as not to delay food aid.

Whereas there is no proposal on the first point, the suggestion regarding provisional twelfths is nothing new. Since we were obliged to produce a report anyway, it was necessary, so as not to delay food aid, for us to give our opinion, for the sector with which we are concerned, on what was needed. I should like to say to Lady Elles that what she said is fully in keeping with the position adopted by the Committee on

Development and Cooperation on this proposal, and I should like to thank Mr Natali for stating two important things: firstly, that he would take account of the quantities adopted by Parliament in the first reading, and secondly, that he would attend personally to the problem of the regulation.

Mr Seligman (ED). — Very briefly, I believe we have a right to ask questions of the Commissioner when he makes a statement — and it was a very useful statement on the Court of Auditors' criticisms regarding 1983. I thank the Commissioner for that. He said that 1984 showed an improvement, but he only spoke in terms of tonnages and amounts. Can he tell us if the delay between authorizing shipments and the shipments arriving has improved and what is the average delay at the moment? This is the key question.

President. — That is not admissible since questions should be asked during the debate so that the Commissioner can reply at the end. Otherwise it means that a new debate is started.

The debate is closed.

The vote will be taken during the next voting time.

12. *Termination of the service of officials of the Communities*

President — The next item is the report (Doc. 2-1158/84) drawn up by Mr Casini on behalf of the Committee on Legal Affairs and Citizens' Rights on

— the proposal from the Commission to the Council (COM(84) 214 final — Doc. 1-250/84) for a regulation (Euratom, ECSC, EEC) introducing special and temporary measures to terminate the service of certain officials in the scientific and technical services of the European Communities.

Mr Casini (PPE), rapporteur. — ((IT) Mr President, Parliament has been called on to express its opinion on a proposal for a Council regulation introducing special and temporary measures to terminate the service of certain officials in the scientific and technical services of the European Communities.

The Legal Affairs Committee was assigned to give its opinion and has asked me to present our report.

The question is basically as follows: there has been a proposal to cut back approximately 120 posts of the highest grades of scientific officials working in the Joint Research Centre, mainly A3 and A4 grades over the age of 50 and A7, A5, B and C grades over the age of 55.

Casini

The conditions for this staff reduction proposed by the Commission are the same as were proposed to reduce staff in 1982 when Greece joined the European Communities.

I must stress that this staff reduction is not proposed as an end in itself but as a partial reorganization of the Joint Research Centre in view of a change of emphasis in the work. As you are no doubt aware, the Joint Research Centre's activities were originally confined to Euratom work. In recent years, however, partly with the support of Parliament, the Joint Research Centre has branched into other areas, particularly the ecological sector. It is currently concentrating on protection against hazards caused by technological innovation. This calls not only for physicists, but also for physicians, biologists, chemists, in other words, skills which the present staff does not have. Furthermore, it cannot be denied that the average age of the present staff, taken on a good few years ago, is fairly high and although this means that it is a very highly qualified staff, it is none the less qualified in a field which is no longer useful to the Centre.

The proposal we are now considering is by no means a punitive measure, in that it is not intended to remove officials who are not capable of doing their work. It is a restructuring measure and presupposes that new staff will be appointed to replace officials who are no longer involved in the work. However, new appointments will be on a more flexible basis, with short-term contracts which will allow rapid turnover. Furthermore, there is no economic basis to the proposal in that there will be no immediate saving because the vacant posts will be replaced by other posts; we can only talk about it in economic terms in the overall sense, in that the Joint Research Centre is changing and needs new skills to make it productive. Thus, in the long term, but only in the long term, it can also be called an economic move.

The report I am presenting on behalf of the Legal Affairs Committee and which was approved unanimously by the Committee on Scientific Research is very largely in line with the Commission proposal, the only difference lying in the way to achieve the aims we have agreed upon. The Commission proposes that termination of the services of the officials in the grades I listed first should, initially, be voluntary, with early retirement as I described before, similar to the procedure adopted when Greece joined the Communities. But in the second instance, and only for grades A3 and A4 it will also take place on a compulsory basis, with compulsory dismissal but the same financial deal as for those leaving on a voluntary basis.

The Legal Affairs Committee feels that this system is legally inadmissible and suggests that the Commission proposal, ideally sound, should be structurally modified so that at this stage, and barring subsequent revision, only the principal of voluntary redundancy should be accepted. We feel that to adopt the principle

of voluntary redundancy for one grade but not for another is a legally unacceptable discrimination; and above all, that it is encroaching on the status of an official; they are appointed as such and are entitled to the security this entails. The Commission proposal, however, even though it only concerns a small sector, would run counter to the precedent set by Greece and could perhaps, in our opinion, set a dangerous precedent for the future.

I think, then, that for legal reasons this point of the Commission proposal should be amended.

There are also social reasons — of course. The trade unions have agreed unanimously only to termination of service on a voluntary basis. They are calling for a trial period during which to assess what should be done. This request on the part of the unions is in line with one principle of good management; certain measures have to be taken which will mean hardships and only if it is found that they have achieved nothing will more severe measures be taken.

I will end here, since time is short. I would like to say only that the proposal I have described is intended to be part of a more efficient personnel policy, which would guarantee flexibility and mobility on a voluntary basis. I think, however, that this is a much broader aim and would, in the meantime, recommend Parliament to approve this report.

(The sitting was suspended at 8 p.m. and resumed at 9 p.m.)

IN THE CHAIR: MRS PÉRY

Vice-President

Mr Adam (S). — Madam President, I am speaking on behalf of Mr Linkohr, who was the draftsman of the opinion for the Committee on Energy, Research and Technology. I am sorry that he could not be present this evening, but Members will have noted the committee's opinion which is attached to the main report. We did examine very carefully the measures that were proposed. We have talked to the management and staff at Ispra and we share as a committee the views expressed by Mr Casini in his report. I would stress the fact that we have had these consultations with the staff at Ispra, because the Committee on Energy, Research and Technology has kept close contact with the Research Centre in the last few years.

Madam President, I am also speaking on behalf of the Socialist Group which broadly supports the report as well. I think we ought to note that way back in October 1983 Parliament was calling for just such a policy as is contained in these proposals for voluntary early

Adam

retirement and for the transfer of staff to other Commission departments. I want to make the point that I raised in the Committee on Budgets that we are supposed to be short of staff in the Nuclear Safeguards Sector in Luxembourg. I hope that we will get an assurance from the Commission that everything is being done to transfer as many as possible of the Ispra staff who have some nuclear training to Luxembourg. There was provision for that in the budget.

The Commission's proposal is in line with our earlier request, except on one point. That is the question of the voluntary basis of the redundancy. We stick to our original view that early retirement should be based on a voluntary scheme, because we believe that good staff relations are vital to the success of the Research Centre and that they would be severely jeopardized if measures were taken against people who did not wish to be retired. We want to keep the voluntary spirit. We also believe, however, that requests for early retirement should only be granted where it is in the legitimate interests of the JRC service.

I do not need to go through the report, in which Mr Linkohr has specified the scientific areas where we need new blood. We want to move from a nuclear emphasis to a non-nuclear emphasis, especially in environmental and safety issues. This was underlined in the decisions that Parliament took during the discussions on the 1985 budget.

One of the problems with the proposals is the cost. A great deal of comment has been made about the expense involved, but we have got to realize that the Commission is, after all, bound by the terms of the staff regulations under which these people were appointed. They were taken on as civil servants, and we must realize that we are, in fact, dealing with a residual problem. The basis of appointments was changed, I understand, as far back as 1974, and people at Ispra now are only taken on on a five-year temporary contract. Therefore it is very much a residual problem which we are dealing with at the moment. We are not talking about lump-sum payments. The people will not be paid if they take other employment and there will be some, possibly slight, savings; but none the less there will be some saving, as recruitment will probably involve people being engaged at lower salary levels.

There are also plenty of precedents in the other institutions and in the Member States for this type of provision. I believe, Madam President, that the choice facing us at the present time is a very simple one. If we want to make way in the Joint Research Centre for new scientists with new skills in order that the Research Centre can play its full part in Community research policy, then we have got to have the staff for the job and we have got to provide an incentive to leave early to those staff whose skills are no longer required. If we do not do this, then the Research Centre will muddle through, but in a very poor work-

ing climate with an ageing workforce and without the injection of new staff which we so badly need. The cost of this inaction and further delay, I am quite sure, will be far more than the measure we are discussing tonight.

I would go as far as to say, Madam President, that if we do not have early implementation of this measure, it would be better to consider closing down the Research Centre altogether.

Mrs Fontaine (PPE). — (*FR*) Madam President, ladies and gentlemen, I should like to make a number of comments on behalf of the Group of the European Peoples' Party about the report just submitted to us by our colleague Mr Casini, and to congratulate him on the courage and the dedication he has shown in carrying out the task entrusted to him by the Legal Affairs Committee. Our group will be voting in favour of Mr Casini's report.

The question involved, apart from that of defining words, is a delicate one. Mr Casini set the context out very clearly a moment or two ago. He reminded us that the role of the Joint Research Centre at Ispra has changed recently, and agreed that the change required research staff appropriate to the centre's new activities, and therefore, some changes in staff. There is thus no need for me to cover this ground a second time.

I would like to dwell a second on the point which is the subject of the amendment proposed to the House in Mr Casini's report.

The Commission in its draft regulation, the Committee on Research in its opinion, and Mr Casini in his report, are in entire agreement on our aims: to give the JRC a new lease of life. To do so, we have to renew the staff who are the driving forces in the centre, and in doing so, to satisfy the material well-being, the professional standing and the dignity of the staff concerned with due regard to the letter and the spirit of the Treaties.

The Commission's draft regulation involved the early retirement of the staff concerned, with financial compensation. Any disagreement, therefore, comes down to the method used.

Should there be an incentive to leave, with encouraged volunteers, or should there be compulsion. It seemed to us, and the Legal Affairs Committee agreed unanimously (save one abstention) with the view put forward by Mr Casini, that only with a voluntary system could we reconcile all the various constraints. Evidently, the Committee had not the slightest intention to perpetuate sinecures, nor to give in to the irresponsible myth of job security at any price.

However, the human aspects, the social aspects and the legal aspects, convince us that if these officials,

Fontaine

who were recruited by competition under the terms of the Treaties which offer them employment for life, were to be obliged to leave their posts early, it would seriously damage the general principles which underly the social legislation of all our countries, namely the respect for acquired rights. Such a precedent would be highly dangerous for the entire European civil service. There can be no doubt that the European Court of Justice would be called in.

In addition, we are convinced that with what we can call 'encouraged volunteers', and increased opportunities for mobility, it will be perfectly possible to solve this short term problem at the Joint Research Centre.

Having said that, it can be debated whether the error did not lie in allowing to the staff concerned a status which was manifestly unsuited to the nature of the tasks confided to them, which do, by their very nature, change.

I can only express my delight at learning that for the last two years the Joint Research Centre has improved its recruitment policy. In my view, the only answer for researchers of this very special type is a renewable annual contract tied to specific research programmes, and matched to the requirements of international research.

Mr Price (ED). — Madam President, we are faced with two problems. The first is that the nature of the scientific work at Ispra has changed, as Mr Casini explained earlier on. Different scientific skills are now required. The second problem is that we have a large number of scientists who were engaged when Ispra was established. Most of them were in their prime doing exciting, new scientific work. They have grown older together. Normally, in the later part of his career a scientist moves towards directing the research of others. But we have too many workers of roughly the same age to be able to allow them to follow that natural path of career development. The advice that we have had as a Community from other scientists has been that we need to change the age structure at Ispra if it is to regain its reputation.

I believe our prime objective must be to ensure that Ispra has first-class scientists with skills corresponding to the research programme, so that Community research will have the highest reputation. There is no point in undertaking second-rate work because our scientists do not have the appropriate skills and experience for the programme that is now to be undertaken at Ispra.

To achieve this objective, we cannot shirk taking difficult decisions. At the same time, of course, we have to be fair to the staff who are at Ispra and whose services have become redundant simply because of different scientific programmes being undertaken there. I agree with much of what Mr Casini, Mr Adam and Mrs

Fontaine have said. So, let me concentrate on the point where I differ from them.

The really controversial point in relation to this report is whether we can rely entirely on the voluntary principle or whether the Commission should have the powers which it seeks to determine in the higher grades those officials who must leave. I support the Commission proposal and I believe it is absolutely essential that we should give it the powers which it seeks if we are to achieve the objective of first-class research at Ispra.

Let us think about who would choose to leave. We are dealing with something like 40 or 50 of the top men in terms of their grades. I suspect that those who would choose to leave would include those whose years of inspiration are over and whose skills in some cases simply could not be used effectively, but that we would also lose some of the very best people who would choose to take advantage of these terms of compensation and take their skills elsewhere. That is the problem that we could have.

Now what do we do with these scientists that we are left with, whose skills are no longer appropriate? Do we give them a laboratory and say: Look, we cannot use your services effectively, just keep yourself occupied there for the day! This would be the most utter waste of their resources and the most utter waste of the Community's resources.

I believe in trying to achieve first-class standards in Community research, because we must ensure that it is of such a standard that we can expand this kind of work, that we can demonstrate that, by cooperating together in Community research, we can achieve far more than Member States acting separately. That is only going to be achieved if we give the Commission the powers that it seeks. I support the Commission's original proposal.

Mr Ford (S). — Madam President, I must say that I agree with a number of the comments that have already been made. It is necessary for the Joint Research Centre at Ispra to have staff with different scientific skills. It is vital that the age structure at Ispra should be changed, and it is also desperately important that the European Community starts to undertake the strategic research and development in Europe — and Ispra has a role in that — that will allow us to compete with the Japanese and the Americans.

Nevertheless, speaking on behalf of the majority of British Labour Members — and, I hope, the majority of British Members — I find that the proposals are unacceptable for a number of reasons.

First, they are excessively expensive. Individual research scientists from Ispra who retire on a voluntary basis could get up to UKL 400 000 paid to them

Ford

over the duration of what would have been their working life. Certainly the majority of the 120 staff members that we are seeking to shed by early retirement would get up to a quarter of a million pounds each. That is unacceptable. With the problems facing Europe, with the difficulties we face, with the crying needs we have, with the desperate needs our people have, this is not an action that reasonable people in Europe will find acceptable.

Secondly, I do not believe it will work. In that sense I agree with part of what Mr Price said. It will not work, because who is going to leave? I have evidence from being part of and responsible for two other early retirement schemes: one in the local council, where I am still a representative, and the other in Manchester University, where I used to work. On the basis of these voluntary schemes, as I have outlined here, the best people leave. People leave who are in areas of shortage.

We have been assured that there is a provision whereby, if anyone gets another job, 70% of their salary will cease. What I would like to ask the Commission is what they do with self-employed individuals in that regard. I have heard that people who left under similar circumstances when Greece joined the common market have, in fact, been re-employed by the Community as advisers and consultants on a free-lance basis. I presume that the Commission will ensure that that anomaly is not allowed to continue.

What is needed — and I support the voluntary principle for early retirement — is a double voluntary principle that we do not have to let people go who have good work in front of them and who are in areas where there is a shortage of specialist skills. We want something that is cheaper and we also want something that does not set or reset a precedent for what is going to happen in this Community when Portugal and Spain join the Community, and when we will again be looking for voluntary early retirement. I do not think that is acceptable.

Mr Münch (PPE). — *(DE)* Mrs President, ladies and gentlemen, I would also like to express my appreciation for the rapporteur. What we have here is a good basis for solving the problem, from a human, social and also legal point of view. In order to be able to monitor the problems at Ispra more consistently in future we have set up a contact group composed of Mr Adam, Mr Linkohr and myself. We have before us two different proposals which really boil down to the following: compulsory or voluntary departure of 120 from a total of some 2 260 staff. This is 5% of the staff we are talking about today in connection with the Joint Research Centre. The Committee on Budgets has tended towards the Commission's position, while the Committee on Energy, like the Legal Affairs Committee, has unanimously opted for a voluntary scheme.

Incidentally, I do not think that the term chosen by the Commission is correct, because what is involved is not early termination of service but early retirement of staff, and these are quite different. I would like to make this clear through the way we wish to solve this problem, on which common ground is shared by all on many issues, even though some individual views differ, because in solving this problem there are opposing interests or competing aspects and criteria on which this problem can be judged. For example, there is the question of the interest of the service in very flexible use of this research establishment, and that is something we are no doubt all for. Then there is the question of the social concerns of those involved, which entails what amounts to a duty to make provision for their welfare, and perhaps there is even a general interest in retaining a uniform status for civil servants throughout the Community.

I make no secret of the fact that the arguments in favour of both compulsory and voluntary departure are not such that — if we are intellectually honest — we could say: those people are talking rubbish and the others have a monopoly on the truth. Arguments for and against exist for both sides. It is just a matter of where you place the stress, and in line with the amount of stress given to the various arguments you arrive at different conclusions. We see at all political levels that quite often the financial people see things somewhat differently than those in the affected area and the field of science and research, from local right up to European level.

Of course, in principle, I see the specific problems in exactly the same way as Mr Price — who is unfortunately no longer here — but I come to a different conclusion, i.e. that we cannot blame those involved for this. It is not their fault that the tasks have changed, it is not their fault that there has been a shift of emphasis from nuclear to non-nuclear research, and neither is it their fault that the initial structural conditions have changed, i.e. that the qualifications on the basis of which they were employed as top-level researchers are no longer in such demand because the nature of the tasks has changed. You cannot, therefore, push the blame onto these members of staff.

Perhaps we should take this opportunity to think more seriously in future about whether it is right — in such a highly sensitive research apparatus, which requires adjustment to new tasks, greater mobility and flexibility — to employ people as permanent civil servants so early. However, this is a problem which we cannot discuss now in connection with this report and the 120 people involved.

Moreover, I blame the Commission for not really checking beforehand on the degree of readiness to leave voluntarily. Perhaps an empirical survey would have produced the figure of 120 volunteers. We do not know, we are all speculating. Those who believe that

Münch

the best people will go are speculating in the same way as those who maintain the opposite.

Thus, I have certain objections, a certain anxiety, but also a certain understanding for the other side's position. Despite this I come to the conclusion in the final analysis — and also after we from the Committee on Energy, Research and Technology had discussed this in Ispra with all those involved — that the voluntary principle is the only suitable one at this moment. If this principle does not turn out to be right then we can always take a new look at the problem. I would like to ask the Commission most sincerely, on the basis of my report on stimulating exchanges in the research sector, to study in great detail all the possibilities, from the issue of transfer within the Community to other solutions, which I cannot go into now.

Therefore, I would ask for the voluntary principle to be adhered to, as the Legal Affairs Committee has proposed, with a view to taking into account the social interests of those affected and the need for flexibility and structural improvement which we must face up to.

Mr Clinton Davis, Member of the Commission. — Madam President, may I say at the outset that I am replying on behalf of my colleague, Mr Christopher- sen, who regrets that he cannot be here. But of course the reply I give represents the view of the Commission. I should like at the outset to thank the various committees which have examined the Commission's proposals, which were of course the proposals of the previous Commission in relation to this matter. May I also say by way of preface that I very much welcome, and am impressed by, the interest and concern of the Members of Parliament who have spoken in this debate about the people who are directly concerned by this issue. The views that have been expressed are views which are strongly held but have been very moderately expressed, and I think that is the merit of this debate.

The basic objective of the Commission's proposals, it will be recalled, was to ensure that the Joint Research Centre is run with the maximum efficiency consistent with the Community's obligations to its full-time staff. I am pleased to note that the Casini report shares that motive. As Mrs Fontaine put it, it is important to ensure that there is a breath of fresh air. An eloquent phrase. That too was expressed by Mr Price in what he had to say. The fact is that we have to maintain first-class research facilities and that there has to be flexibility in achieving that goal. That is an essential prerequisite.

Now the changing needs of the JRC require that a small number of people with skills which are no longer directly relevant to the work that has to be undertaken should make way for younger people who have technical abilities that are appropriate to the work in which the JRC has to be currently engaged, where the

emphasis must be changed from time to time. For example, there has been a shift of emphasis away from nuclear research to research on environmental protection, as Mr Adam pointed out. That, indeed, is a matter of very considerable importance throughout the Community. It is a point which does not divide the Commission from Parliament.

Before I deal with the specific amendment that is being proposed, I should like to make a number of points. First of all — and this is in response to the point raised by Mr Casini — the JRC establishment will remain at the same level. No jobs are, in fact, going to be shed. My second point is that the Commission believes that the terms offered to staff are such that the whole problem can be met through voluntary redundancies. I want to ensure, on behalf of the Commission and those who will undertake the negotiations, that this matter will be approached with compassion, sensitivity and understanding. I think that is an undertaking that Members of Parliament in this debate would have wanted me to give.

However, if, in fact, we were to follow the proposal made by Parliament to the letter, I think it is inevitable that we should be deprived, for an inordinately long time at the very least, of a fallback situation if the voluntary scheme were not to succeed. I think that was the point made by Mr Price.

What we want to do is to retain the option of compulsory redundancies, but only in the case of A3 and A4 staff. The Commission is confident that if compulsory redundancies are indeed necessary, they are going to be very few. The preliminary information that I have from a survey is that 158 are interested in undertaking the voluntary scheme out of the 380 eligible.

Now I turn from that to a very understandable concern expressed by Mr Ford that the Commission will ensure that any application to take voluntary severance under this scheme submitted by an official who is genuinely indispensable will not be accepted. I think that that is another important matter which needs to be underlined.

I come now to the question of cost. It is a very difficult question, and I understand the point that was made by Mr Ford in this regard. But the Commission does have an obligation to treat Community staff in a humane and considerate way. It also has an obligation, which he touched on, that the taxpayers of Europe must be assured that the Community's costs are kept to a minimum. The point that he raises is that these sums are inordinately expensive. But the fact remains that these are what have now been tabled. The Commission will, however, keep its approach to the question of redundancy and severance terms under continuous review.

I want to just say a word or two about the inherent savings in the scheme. I know that Mr Ford is sceptical about this. First of all, younger staff will be employed

Clinton Davis

in place of other more expensively-paid staff. Secondly, in the case of those accepting the redundancy payments and acquiring new employment, if their new pay plus the compensation exceeds the previous salary, then the compensation is reduced proportionately. That is a point that has been made in this debate.

Thus — and this is the third point — it follows that savings will arise as people take up new employment. I want also to say that Parliament must understand — I am sure it does — that the cost of these measures will be shown separately in the budget. It is very difficult to enter into a field of conjecture at this stage as to how precisely the thing will be worked out, but I hope what I have said will be helpful.

Now I turn to the amendment itself and I have to recommend — I do not like to conclude my first speech by turning something down, but I regret that I have to do so — that it should not be accepted and to say that the Commission cannot accept it. Senior scientific staff have a great responsibility for the conduct of research. The Commission has simply got to keep the power to change these officials at JRC if their skills are overtaken by other essential requirements. Indeed, that is the point that was made by Mr Ford in the debate. There has to be this flexibility. Therefore, I would submit to this House that the case that has been put forward by the Commission is one which ought to be accepted. Naturally, in any scheme there are anomalies, but I hope that I have said enough tonight to at least offer some reassurance to honourable Members about the anxieties that have been properly expressed in the reports and, indeed, in the course of this debate.

Mr Price (ED). — In his speech the Commissioner referred to the sole exception as being where staff are 'genuinely indispensable'. Would he say what proportion of the staff he would regard as being genuinely indispensable, and would he confirm that, in fact, very few staff would be in that category, so that in practice the vast bulk of those eligible for the scheme would be able to opt out even if it would be in the interests of the Community for them to remain at their posts?

Mr Clinton Davis, Member of the Commission. — I think I have already dealt with the substance of what the honourable Member has asked, but I cannot give him proportions. All I can do is pass on his question to my colleague, Mr Christophersen, and hope that he

will write to the honourable Member directly with the information, which he would not, I think, have expected me to have immediately available.

Mr Ford (S). — Madam President, I should like to make just one comment to the Commissioner. Obviously one does not expect to get everything one wants, but I am very encouraged by the Commissioner's response, particularly with regard to the longer-term actions which are to be taken over this and similar problems in the future if the Commissioner and his colleagues carry out what has been indicated this evening. I thank the Commissioner for what I think is a very useful contribution.

Mr Münch (PPE). — (DE) If, according to his information, the number of those ready to leave voluntarily is 158 at the moment, and we are trying to shed 120, I would like to ask Mr Clinton Davis why he is so worried that the degree of readiness to leave voluntarily might not be enough for the measure to be carried out?

Mr Clinton Davis, Member of the Commission. — I actually preferred the comment of Mr Ford to the question I have been asked. In fact I said 158, but that is a matter of discussion and negotiation and one cannot be absolutely specific. I thought I had replied to the question of why a fall-back was necessary, and it is because the figures I have given are necessarily speculative. You cannot be sure in the course of negotiations whether somebody who you think is going to accept a situation will, in fact, accept it. So I revert to the argument about the necessity for a fall-back position in case the voluntary system were not to be successful. Otherwise we should be denied a solution for an intolerably long period, and it cannot be in the interests of the Community, I would suggest, for this to happen. The indications are, however, that the voluntary system that we are suggesting will be successful, and that is why I have approached it in the way that I have. I hope that answer satisfies the honourable Member.

President. — The debate is closed.

The vote will be taken during the next voting time. I wish you a good evening.

(The sitting was closed at 9.40 p.m.)¹

¹ Agenda for the next sitting: see Minutes.

SITTING OF FRIDAY, 18 JANUARY 1985

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IN THE CHAIR: MRS PÉRY

Vice-President

(The sitting was opened at 9 a.m.)

1. *Approval of the Minutes*

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

Are there any comments?

Mr Fich (S). — *(DA)* Madam President, concerning the Curry and Fich report which Parliament adopted yesterday: during the adoption of the report yesterday, a number of mistakes were corrected. I should like to point out in particular, one place in the German version where 'Greece' was substituted for 'Greenland'. To my great surprise I see that this has not been corrected in the German version of the Minutes. Moreover, there appears to be a further mistake, namely paragraph D, which has been combined with another paragraph. The German version of the Minutes does not reflect what we adopted. I therefore ask that the German version of the Minutes be corrected in line with the Danish version and that the other language versions of the Minutes be checked. The Danish version, which I have had a chance to look at, is correct.

President. — Mr Fich, I was here yesterday and I recall your comments very well. We shall take careful note of these points.

I must point out to you, however, that the French version, which is the definitive one, has 'Greenland'.

*(Parliament approved the minutes)*¹

2. *Votes*

Report (Doc. 2-1353/84) by Mrs Weber, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission to the Council (Doc. 1-1379/83 — COM(84) 4 final) for a directive amending, for the third time, Directive 74/329/EEC on the approximation of the laws of the Member States relating to emulsifiers, stabilizers, thickeners and gelling agents for use in foodstuffs: *adopted*.

*
* *

Report (Doc. 2-1356/84) by Mrs Weber, on behalf of the Committee on the Environment, Public Health and

¹ *Membership of political groups — Request to waive the immunity of a Member — Petitions — Written declarations (Rule 49) — Transfers of appropriations — Change in referral — Membership of Parliament — Membership of committees — Procedure without report: see Minutes.*

President

Consumer Protection, on the proposal from the Commission to the Council (Doc. 1-1361/83 — COM(83) 772 final) for a directive amending Directive 80/232/EEC on the approximation of the laws of the Member States relating to the ranges of nominal quantities and nominal capacities permitted for certain prepackaged products: *adopted*.

*
* *

Report (Doc. 2-1355/84) by Mrs Weber, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission to the Council (Doc. 1-146/84 — COM(84) 138 final) for a directive amending Directive 77/436/EEC on the approximation of the laws of the Member States relating to coffee extracts and chicory extracts: *adopted*.

*
* *

Report (Doc. 2-1354/84) by Mrs Weber, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission to the Council (Doc. 2-606/84 — COM(84) 439 final) for a directive amending Directive 64/433/EEC on health problems affecting intra-Community trade in fresh meat: *adopted*.

*
* *

Report (Doc. 2-1106/84) by Mrs Weber, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposals from the Commission to the Council (Doc. 1-358/84 — COM(84) 337 final) for

- I. a directive amending Directive 64/433/EEC on health problems affecting intra-Community trade in fresh meat;
- II. a directive amending Directive 71/118/EEC on health problems affecting trade in fresh poultrymeat;
- III. a directive amending Directive 77/99/EEC on health problems affecting intra-Community trade in meat products: *adopted*.

*
* *

Second report (Doc. 2-1327/84) by Mrs Weber, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission to the Council (Doc. 1-1478/83 — COM(84) 39 final) for a directive concerning the

introduction of Community methods of sampling and analysis for the monitoring of foodstuffs intended for human consumption.

Explanation of vote

Mr Kuijpers (ARC), *in writing*. — (NL) The object of a standard sampling method is to protect the consumer from possible abuses. That is why we support this report.

However, a standard method of analysis cannot be satisfactory unless Member States harmonize their legislation on such matters as pesticide residues. The content of lindane in meat, for instance, varies from Member State to Member State. Whilst the standard used in the UK is 7 PPM, in France it is 1 PPM.

Since 1980 we have had at our disposal an opinion from the Commission to the Council, but there is still no directive. We hope therefore that work will go ahead quickly to prepare uniform EEC legislation.

(Parliament adopted the resolution)

*
* *

Second report (Doc. 2-1328/84) by Mrs Weber, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission to the Council (Doc. 1-346/84 — COM(84) 291 final) for a directive on the financing of health inspections and controls of fresh meat.

Explanation of vote

Mr Kuijpers (ARC), *in writing*. — (NL) Although this directive entails enormous investment on the part of Flemish slaughterhouses, we shall none the less support this report since health is the highest human good, which must be protected at any price.

This directive authorizes inspection in approved establishments. We hope therefore, as far as Belgium is concerned, that such inspection will finally become a reality. Belgium is notorious for trade in and use of hormones. The EEC directive of 31 July 1981 banning the use of certain hormone-type substances is clearly being violated. The carcinogenic DES hormone is still being used without any talk of inspection. With the adoption of this report on inspections and health checks on fresh meat we hope, therefore, that Belgium will finally comply with its international obligations.

(Parliament adopted the resolution)

*
* *

Report (Doc. 2-1334/84) by Mr Guermeur, on behalf of the Committee on Development and Cooperation, on the proposal from the Commission to the Council (Doc. 2-801/84 — COM(84) 526 final) for a decision determining the general guidelines for 1985 concerning financial and technical aid to non-associated developing countries.

Motion for a resolution

Paragraph 9 — Amendment No 4

Mr Guermeur (RDE), rapporteur. — (FR) Madam President, this amendment reinstates the original text proposed by the rapporteur. It is intended to make the identity of the donors clearer, and it simply adds an explanatory text without removing any of its content.

President. — I shall leave the House to decide for itself what Mr Guermeur is driving at.

Mr Arndt (S). — (DE) The rapporteur should have pointed out that the committee was against this amendment.

Mr Guermeur (RDE), rapporteur. — (FR) Madam President, the original text gave a list of donors by way of example and therefore mentioned the UN, Unesco, the United States Defence Programme, etc. The committee preferred a shorter wording omitting reference to these bodies. I repeat that the proposed amendment reinstates the rapporteur's original wording. I think that was clear, but I say so explicitly, and I think there will thus be no objections or ambiguity.

Paragraph 10 — Amendments Nos 7 and 5

Mr Guermeur (RDE), rapporteur. — (FR) These amendments deal with the aid to be given to China. The committee rejected Amendment No 7 which seeks to delete the paragraph. Its authors wished to exclude China from the non-associated developing countries receiving aid. Because of its importance and wealth, as

well as the fact that China itself gives aid to developing countries, the committee was in favour of this point and upheld the rapporteur's proposal that as a matter of principle China should remain. . .

President. — I am sorry, Mr Guermeur, but people are going to be making points of order. Normally you must simply say whether you are for or against. Comments should not be made during the vote. Would you please tell me therefore whether you are for or against?

Mr Guermeur (RDE), rapporteur. — (FR) Madam President, the rapporteur is against Amendment No 7 and in favour of Amendment No 5.

(Parliament adopted the resolution)¹

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* *

Report (Doc. 2-1338/84) by Mr Galland, on behalf of the Committee on Development and Cooperation, on the management and implementation of food aid under the provisional twelfth system: adopted.

*
* *

Report (Doc. 2-1158/84) by Mr Casini, on behalf of the Committee on Legal Affairs and Citizens' Rights, on the proposal from the Commission to the Council (Doc. 1-250/84 — COM(84) 214 final) for a regulation (Euratom, ECSC, EEC) introducing special and temporary measures to terminate the service of certain officials in the scientific and technical services of the European Communities: adopted.²

3. Adjournment of the session

President. — I declare the session of the European Parliament adjourned.³

(The sitting was closed at 9.30 a.m.)

¹ The rapporteur was:
— IN FAVOUR of Amendments Nos 2, 5 and 6;
— AGAINST Amendments Nos 1 and 7.

² The rapporteur was:
— IN FAVOUR of Amendments Nos 1, 5, 11, 16, 18 and 19;
— AGAINST Amendments Nos 3, 4, 9, 12 to 15 and 17.

³ *Membership of committees — Written declarations entered in the register (Rule 49) — Forwarding of resolutions adopted during the sitting — Dates for next part-session: see Minutes.*

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